

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH: A bill (H. R. 8586) for the relief of George W. Mason, trustee for the Congress Construction Co.; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 8587) for the relief of Hugh Boyd and Mrs. Hugh Boyd; to the Committee on Claims.

By Mr. KEE: A bill (H. R. 8588) granting a pension to Helen B. Willyoung; to the Committee on Pensions.

By Mr. LANZETTA: A bill (H. R. 8589) for the relief of Pasquale Lobrano; to the Committee on Immigration and Naturalization.

By Mr. McGROARTY: A bill (H. R. 8590) for the relief of William L. Clark; to the Committee on War Claims.

By Mr. SIROVICH: A bill (H. R. 8591) for the relief of Dymtro or Jim Gural; to the Committee on Immigration and Naturalization.

By Mr. SMITH of Washington: A bill (H. R. 8592) to provide for the reimbursement of Ray Fielder for the value of personal effects lost in the sinking of the U. S. S. *Hector* on July 14, 1916; to the Committee on Claims.

By Mr. SNELL: A bill (H. R. 8593) granting an increase of pension to Mary Bayette; to the Committee on Invalid Pensions.

By Mr. SWEENEY: A bill (H. R. 8594) for the relief of the Cleveland Railway Co.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3476. By Mr. SEGER: Petition of the Textile Workers' organizing committee's joint board of New Jersey, favoring the enactment of the wage and hour bill; to the Committee on Labor.

3477. Also, petition of the Townsend Club, No. 1, of Paterson, N. J., opposing the wage and hour bill; to the Committee on Labor.

3478. Also, petition of the New Jersey State Grange and New Jersey Farm Bureau, opposing restrictive farm legislation leading to compulsory production control; to the Committee on Agriculture.

3479. By Mrs. ROGERS of Massachusetts: Petition of the City Council of the City of Lowell, Mass., urging early enactment of the so-called wage and hour bill; to the Committee on Labor.

3480. By Mr. KRAMER: Resolution of the Silver Lake Young Democratic Club of California, relative to the strengthening of neutrality legislation; to the Committee on Foreign Affairs.

3481. By Mr. ASHBROOK: Petition of the Tax Commission of Ohio, urging passage of House bill 8045; to the Committee on Ways and Means.

3482. By Mr. LUTHER A. JOHNSON: Petition of the Texas Planning Board, favoring the inclusion of Texas in a regional planning agency to be composed of Texas, Oklahoma, New Mexico, Louisiana, and Colorado, instead of attaching Texas to the Arkansas River Valley region; to the Committee on Rivers and Harbors.

3483. Also, petition of the Texas Society of Certified Public Accountants, favoring the continuance of the office of Comptroller General, and adequate funds to maintain same; to the Committee on Reorganization.

3484. By Mr. SHANLEY: Petition of the Jewish war veterans of the United States on un-American activities; the people of the town of Southbury, Conn., against the establishment of a Nazi camp in Connecticut; and the English branch of the International Workers' Order, of New Haven, against the establishment of a Nazi camp in Connecticut; to the Committee on Immigration and Naturalization.

3485. By Mr. MEAD: Petition of the Genesee Conference, Epworth League, supporting the United States Government in its treatment of the far eastern situation; to the Committee on Foreign Affairs.

3486. By Mr. SEGER: Petition of 200 citizens of Paterson, N. J., and vicinity, against any legislation which might tend to increase taxes on food of any description; to the Committee on Ways and Means.

3487. By Mr. MERRITT: Resolution of the Chamber of Commerce of the Borough of Queens, N. Y., stating that the board of directors favors the repeal of the section of the income tax providing for publicity; to the Committee on Ways and Means.

3488. Also, resolution of the Chamber of Commerce of the Borough of Queens, N. Y., stating that the board of directors favors the repeal of the surplus-earnings tax and a downward revision of the capital-gains tax; to the Committee on Ways and Means.

3489. Also, resolution of the Chamber of Commerce of the Borough of Queens, N. Y., stating that the board of directors expresses the view that the wage and hour bill before Congress is not desirable legislation; to the Committee on Labor.

SENATE

FRIDAY, DECEMBER 3, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, December 2, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pepper
Ashurst	Davis	La Follette	Pittman
Austin	Donahey	Lee	Pope
Bailey	Duffy	Lodge	Radcliffe
Bankhead	Ellender	Logan	Russell
Barkley	Frazier	Lonergan	Schwartz
Berry	George	Lundeen	Schwellenbach
Bilbo	Gerry	McAdoo	Sheppard
Borah	Gibson	McCarran	Shipstead
Bridges	Gillette	McGill	Smathers
Brown, Mich.	Glass	McKellar	Smith
Brown, N. H.	Graves	McNary	Thomas, Okla.
Bulkeley	Green	Maloney	Thomas, Utah
Bulow	Guffey	Miller	Townsend
Burke	Hale	Minton	Truman
Byrd	Harrison	Moore	Tydings
Byrnes	Hatch	Murray	Vandenberg
Capper	Hayden	Neely	Van Nuys
Caraway	Herring	Norris	Wagner
Chavez	Hitchcock	Nye	Walsh
Clark	Johnson, Calif.	O'Mahoney	Wheeler
Connally	Johnson, Colo.	Overton	White

Mr. MINTON. I announce that the Senator from West Virginia [Mr. Holt], the Senator from Delaware [Mr. Hughes], and the Senator from North Carolina [Mr. Reynolds] are absent because of illness.

The Senator from Florida [Mr. Andrews], the Senator from Washington [Mr. Bone], the junior Senator from Illinois [Mr. Dieterich], and the senior Senator from Illinois [Mr. Lewis] are unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

AGRICULTURAL RELIEF—ORDER FOR CONSIDERATION OF AMENDMENTS

Mr. BARKLEY. Mr. President, I ask unanimous consent that in the further consideration of Senate bill 2787, to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and

for other purposes, committee amendments may be voted on and disposed of first.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky that all committee amendments to the bill which is the unfinished business be considered prior to the offering of amendments by individual Senators from the floor. The Chair hears none, and it is so ordered.

CONSIDERATION OF LABOR FEATURES OF BILL AMENDING MERCHANT MARINE ACT

Mr. COPELAND. Mr. President, yesterday I introduced a bill (S. 3078) to amend the Merchant Marine Act, 1936, and for other purposes. In the existing law there are labor features which were considered by the Commerce Committee. The bill introduced yesterday, which is drawn to carry out the wishes of the Maritime Commission, recommends very pronounced changes in the existing law. Naturally, a labor provision would go to the Committee on Education and Labor. I should like, on behalf of the Committee on Commerce, to invite the chairman of that committee, the Senator from Utah [Mr. THOMAS], and the members of the committee, to sit with the Commerce Committee in the hearings on the labor sections of the bill, and to sit also with the Commerce Committee when any determination is made regarding those particular provisions. In that way there will be no conflict of authority, and yet the Merchant Marine Act, if it is amended, will be amended in a harmonious way. I hope my suggestion will be acceptable to the Committee on Education and Labor, of which I myself have the honor to be a member.

Mr. THOMAS of Utah. Mr. President, I should like to say that the Committee on Education and Labor will be happy to cooperate as best it can with the Committee on Commerce in the consideration of the labor features of the bill. I believe, with labor in its rather muddy condition as at the present time, and taking into consideration the fact that our committee has been dealing with labor problems, it would be wrong for the Senate not to have the committee associated in this move which the Maritime Commission is making.

Mr. COPELAND. I know there is pending before the Committee on Education and Labor a labor bill relating to maritime affairs, introduced by our colleague, the Senator from Pennsylvania [Mr. GUFFEY]. I am told by experts it is a very excellent bill. I want that Senator as well as the chairman of the committee to know that the only reason why the provision is in the bill to which I have referred is because it was sent to us by the Maritime Commission, but, being dealt with jointly by the two committees, I am sure there will be no conflict.

ORDINANCES, ETC., OF MUNICIPAL COUNCILS, VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate two letters from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of recent legislation enacted by the Municipal Council of St. Croix and the Municipal Council of St. Thomas and St. John, Virgin Islands, and approved by the Governor of the Virgin Islands, which, with the accompanying papers, were referred to the Committee on Territories and Insular Affairs.

PETITIONS AND MEMORIALS

Mr. WALSH presented a telegram embodying a resolution adopted by a special meeting of the City Council of Lowell, Mass., favoring the enactment of wage and hour legislation, which was ordered to lie on the table.

He also presented a telegram embodying a resolution adopted by a meeting—composed of representatives of the shoe industry and shoe workers in Massachusetts—held under the auspices and presided over by Gov. Charles F. Hurley, at the city of Boston, Mass., protesting against the inclusion of boots, shoes, and other footwear in any reciprocal-trade agreement between the United States and Czechoslovakia, which was referred to the Committee on Finance.

Mr. COPELAND presented a petition of sundry citizens of Harrisville, N. Y., praying for the enactment of the so-

called Capper bill, being the bill (S. 1369) to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the board of directors of the Chamber of Commerce of the Borough of Queens, N. Y., protesting against the enactment of pending wage and hour legislation, and favoring repeal of the surplus-profits tax and a downward revision of the capital-gains tax, which were ordered to lie on the table.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BROWN of Michigan:

A bill (S. 3084) to provide for the appointment of an additional district judge for the eastern district of Michigan; to the Committee on the Judiciary.

By Mr. KING:

A bill (S. 3085) to confirm citizenship on Mike Juretic; to the Committee on Immigration.

By Mr. ADAMS:

A bill (S. 3086) to authorize the Secretary of the Interior to dispose of surplus buffalo and elk of the Wind Cave National Park herd, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COPELAND:

A bill (S. 3087) for the relief of Chester J. Babcock; to the Committee on Civil Service.

By Mr. MURRAY:

A joint resolution (S. J. Res. 232) to amend the joint resolution entitled "Joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs," approved April 6, 1937; to the Committee on Agriculture and Forestry.

AGRICULTURAL RELIEF—AMENDMENTS

Mr. DUFFY submitted two amendments, and Mr. ELLENDER submitted sundry amendments intended to be proposed by them, respectively, to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes, which were severally ordered to lie on the table and to be printed.

NATIONAL LABOR RELATIONS BOARD—WEIRTON STEEL CASE

Mr. BRIDGES. Mr. President, in this morning's newspapers appear articles which show that the chairman of the National Labor Relations Board has ordered the editor of the magazine Mill and Factory, which is published by Conover-Mast Corporation, to appear under subpoena and answer regarding an article which appeared in this particular magazine criticizing the work of the National Labor Relations Board. This article entitled "The True Story of Weirton" in reprint form has been widely distributed.

In my opinion, this is one of the most open attacks on a free press that I have ever known in the history of this country. It is just one more instance of typical arbitrary action and attitude of the National Labor Relations Board. It is amazing that this department of the Government has gone to this length.

For the purposes of general information I ask to have inserted in the Appendix of the Record the article to which I have referred, entitled "The True Story of Weirton," and an article clipped from the New York Herald Tribune of this morning, Friday, December 3, 1937, telling of the action of Mr. Madden, of the National Labor Relations Board.

The VICE PRESIDENT. Is there objection?

The Chair hears none, and it is so ordered.

POLITICAL ECONOMICS—ADDRESS BY HON. JAMES A. FARLEY

[Mr. THOMAS of Utah asked and obtained leave to have printed in the Record an address on the subject of Political Economics, delivered by Hon. James A. Farley, chairman of the Democratic National Committee, at Lincoln, Nebr., October 23, 1937, which appears in the Appendix.]

ADDRESS OF HON. JOSEPHUS DANIELS AT BREST, FRANCE

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address delivered by Hon. Josephus Daniels, Secretary of the Navy during the World War and present Ambassador to Mexico, on the occasion of the dedication of the naval monument at Brest, France, August 12, 1937; which appears in the Appendix.]

NONSPECULATIVE MARKET FOR FARM PRODUCTS—ADDRESS BY ERNEST D. MACDOUGALL

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a radio address on the subject of a Nonspeculative Market for Farm Products, delivered by Ernest D. MacDougall, of Washington, D. C., speaking for the National Grange, Saturday, August 21, 1937, which appears in the Appendix.]

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Mr. POPE. Mr. President, I desire to read a telegram from Mr. G. P. Mix, former Lieutenant Governor of the State of Idaho, and familiar with Grange affairs in that State. The telegram was sent to me December 1, 1937, and reads as follows:

Idaho State Grange by resolution endorsed parity income and price, the ever-normal granary soil-conservation program, production control as set forth in Pope-McGill bill. It was understood and expected that our delegate to national convention would support the wishes of convention as expressed by resolution.

G. P. Mix.

The VICE PRESIDENT. The clerk will state the first amendment of the Committee on Agriculture and Forestry.

The first amendment of the Committee on Agriculture and Forestry was, on page 1, line 5, to strike out the heading "Title I. Declaration of Policy" and insert the subhead "Declaration of Policy."

Mr. BORAH. Mr. President, I desire to discuss the bill, and I hope briefly. The bill, if enacted into law, would accomplish two things. There may be some doubt as to other things which it is claimed it would accomplish but there can be no doubt that there are two things which it would accomplish.

First. It would place the American farmer under complete bureaucratic control. It was said, I believe, by the chairman of the Committee on Agriculture and Forestry [Mr. SMITH] when the bill was reported that the control question had taken a middle course; that it was not drastic control, but what he called modified control. I shall examine the bill before the Senate to see what "modified control" means. And then we shall wonder what full control would be.

Second. The bill would bring about a reduction of crops of foodstuffs when millions are hungry and in need.

These two objectives, in my opinion, would be achieved by the enactment of this measure.

Mr. President, we are not considering now, as I understand, a measure dealing with an emergency. This is in the nature of permanent legislation. I can readily understand that much might be done, and be considered wisely done, to meet an emergency, which would be unwise and even disastrous as a permanent policy. I am considering this matter as a permanent policy. The purpose is to establish a permanent policy with reference to agriculture in the United States. Therefore I view it in a wholly different light than I would if it were purely an emergency measure. The real question therefore is, Do we wish to place agriculture under bureaucratic control as a permanent policy of this country?

The question of crop control has been one which we have had before us for several years and about which I have more than once expressed my views. I am frank to say that I have entered upon the discussion of this measure with some degree of embarrassment, because my able colleague the junior Senator from Idaho [Mr. POPE] is one of the authors of the bill, and I know with what sincerity and industry he

has undertaken to legislate in regard to the problem. But my views with reference to compulsory control of crop production in the United States are views long entertained and often expressed and firmly held.

Without taking the time of the Senate to read it, I ask to have inserted in the RECORD at this point, as a part of my remarks, certain paragraphs from a radio address which I delivered March 22, 1934, with reference to the subject of crop control.

The PRESIDING OFFICER (Mr. MINTON in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

The view has often been advanced that one of the great contributing causes of our present trouble is overproduction. I have never been able from the beginning to accept this view. I feel that so long as this view prevails and we shape our policies under that theory, we shall encounter greater and still greater troubles, economically and politically. As a result of this view it has been thought necessary to engage in a policy of destruction, of restraint, upon initiative, upon energy, and upon production. Carried to its logical results, this will end, it seems to me, in a great detriment to our Nation as a whole and long retard recovery.

Our able Secretary of State has recently declared that 80 percent of the world's population of 2,000,000,000 persons are today living below the poverty line. Stated in another way, 1,600,000,000 people are living in poverty—a startling, a menacing, but, unfortunately, a true statement. Does not this present the problem of distribution rather than overproduction? In our own country there are no less than 40,000,000 people living below the poverty line. Shall we destroy food and the stuff of which clothes are made until we have taken care of our 40,000,000? And shall the world engage in such a program with 1,600,000,000 living on the verge of destitution? Is it sound to say there are millions and millions of people in our country and in the world in want of food and illy clad, so let's destroy food, let's destroy the stuff of which clothes are made? The less able the people are to buy, the more difficult we will make it for them to buy. We know the purchasing power of the people is at a very low level, perhaps the lowest in history, and shall we reduce acreage, destroy food, thus compelling less and less consumption because purchasing power is not there to take care of the higher prices? Shall we freeze production at a point which leaves out of consideration the proper clothing and adequate sustenance of one-third of our own people and 80 percent of the people of the world? Finding the world hungry and distressed, shall we set about to conform our economic system to a people thus hungry and distressed, a system which, if successful, would stabilize production on the basis of starvation? It is not overproduction; it is underconsumption. Our task is not that of destruction but of distribution. Even in normal times we had in this country over 75,000,000 people living on an income of less than \$600 a year. Like creeping paralysis, this fall of purchasing power has long indicated an economic cataclysm. The average workman with his family of five, in normal times, must live on an income of from \$1,200 to \$1,800 a year. There are a million children in the United States out of school because of want of food and clothing. I repeat, there is no overproduction unless you are going upon the theory that a large portion of the people of the world and in our own country are to go through life under the circumstances of cruel privation.

One of the best-known businessmen in England, known to all the world and doing a business in three continents, was quoted in the London Times, on February 20 last, as follows: "Everywhere one hears people talking about overproduction while, after taking only a little bit of trouble in examining facts, it is more than clear that what is considered to be overproduction is not only underconsumption, but a manufactured underconsumption." This states a great truth with which we must wrestle before we escape from our present trouble. If we cannot raise purchasing power, build up consumption, then our system of economics and our capitalistic system, as a whole, are doomed. I am not contemplating a revolution, but it may be well to remember that in France they taxed and taxed the producer and curtailed and curtailed the purchasing power of the people until they were driven from their homes into the cellars and hiding places of Paris where the French revolution was born.

It was believed that this policy of reduction would aid the producers. In practice, it strikes first at the consumer, and his purchasing power being such that the consumer cannot take care of the raise, it falls upon the producer. Take our experience with hogs. Pigs were destroyed, the farmer was induced to curtail production, a process tax was laid. But in the effort of the processor to compel the consumer to take care of this tax, it was found that the consumer did not, and could not, do so. He bought less meat. Therefore, the packer passed the tax back to the producer in the form of lower prices for his hogs. There is just so much purchasing power in the country and when you increase the price prior to increasing the purchasing power, the consumer must deny himself and eat less or eat not at all. When you levy a tax, somebody must pay the tax. The inevitable tendency is to pass the tax to the low man in the economic set-up, and therefore, the incident of the tax is at last with those who

cannot pass it on. First, it is passed to the consumer who refuses to buy, then it is passed to the producer who cannot pass it on and must absorb the tax. He has nobody to whom he can transfer it.

Mr. BORAH. Mr. President, let us take up in detail some of the provisions of the bill, because the test is what are the provisions of the bill and not what one may think generally with reference to the subject.

I invite attention, in the first place, to section 3, on page 3, of the bill, paragraph (b), which reads as follows:

(b) Under adjustment contracts there shall be made available to contracting farmers (hereinafter referred to as "cooperators"), first, Soil Conservation Act payments hereinafter specified; second, surplus reserve loans; and, third, parity payments.

Further, on page 7, beginning in line 6, it is said:

Soil Conservation Act payments shall, if the farmer is eligible to enter into an adjustment contract, be paid to him only if he has entered into such a contract; and, in lieu of the payments under such act with respect to wheat and corn produced for market, cooperators shall receive the parity payments under adjustment contracts: *Provided*, That if for any year the eligible farmer produces no wheat or corn for market, but devotes to soil-conserving uses the acreage customarily devoted to such production of wheat or corn, then the farmer shall not be denied Soil Conservation Act payments for such year by reason of his failure to enter into an adjustment contract.

As I understand these two provisions, the effect of them is to withdraw from noncooperators soil-conservation payments and the advantage of loans which now are extended and which are provided for in the bill. In other words, we begin with the proposition that those who do not sign the contracts are immediately subjected to the disfavor of the Government through the Government's withholding from them soil-conservation payments and the benefits of any loans. I make no reference to parity payments. That could hardly be expected; but I say it is a distinct punishment to withhold soil-conservation payments, and withhold the aid or benefits that loans may have, from those who refuse to sign the contracts.

That is the beginning of the program. This is the first step in drastic control and punishment.

On page 12 I read as follows:

Whenever the current average farm price for cotton, wheat, corn, tobacco, or rice, as proclaimed monthly by the Secretary hereunder, exceeds the parity price so proclaimed for the commodity, the Secretary shall, to the extent necessary to stabilize at parity such current average farm price for the commodity—

1. Call surplus reserve loans secured by the commodity;
2. Release stocks of the commodity stored under seal pursuant to section 9 (c);
3. Release stocks of the commodity held under marketing-quota restrictions;
4. Dispose of stocks of the commodity acquired by the Corporation in connection with surplus reserve loans.

Stocks of the commodity acquired by the Corporation in connection with surplus reserve loans shall, if such current average farm price does not exceed such parity price, be disposed of only for human-relief, export, or surplus-reserve purposes.

My understanding of that provision is that if the price thus established upon the base of 1909-14 goes beyond the parity price, the Secretary of Agriculture shall immediately open the granaries, as it were, call all surplus loans, release all stocks of commodities, and dispose of them, and so forth. The effect of that is to hold the farmers of this country down to the price they were receiving from 1909 to 1914. That is the parity price. They cannot ever go beyond that. If the prices go beyond that, they are immediately controlled through the fact that all surplus commodities and all loans are turned loose or withdrawn, as it were. The effect of it is to say that beyond the price established here, the price may never go so far as the farmer is concerned. I think I am correct in that construction.

If that is true, we are not only fixing a parity price upon a condition which existed 25 years ago, but we are saying that the American farmer may never go beyond that price. That is putting him in a strait jacket, so far as price is concerned, for all time. No chance for the farmer to ever go beyond the meager life of 1909-14.

Let us turn to page 14. This seems to me a most vital provision of the bill. It makes the question of referendum vote really an inconsequential factor in this measure:

(b) The national soil-depleting base acreage for such commodities shall be as follows:

Wheat, 67,400,000 acres; corn, 102,500,000 acres.

(c) The national soil-depleting base acreage for wheat and corn shall be allotted by the Secretary among the several States and among the counties or other administrative areas therein deemed the most effective in the region for the purposes of the administration of this act.

My understanding of that provision is that the Secretary of Agriculture may say what amount of acreage shall be utilized for the production of wheat or corn in every State in which those commodities are produced. He fixes a limit beyond which the State may not go in the utilization of acreage for the purpose of producing these commodities. That is an iron boundary beyond which the people of the State producing these commodities may not go.

I pause to ask, by what authority, under what provision of the Constitution, under what constitutional principle may the Secretary of Agriculture, in advance of the production of the crop, in advance of the harvesting of the crop, in advance of its moving toward interstate-commerce channels, say how much wheat or corn the people of a State may produce? Where is the authority for such things?

The theory here is that this bill is based upon the interstate-commerce clause of the Constitution; but if we may say in advance of the production of any wheat or corn how much a farmer may sow, we may say to the shoe manufacturer of Massachusetts in advance of cutting the leather how many shoes he may manufacture; and under this construction of the interstate commerce clause the Secretary of Agriculture or any other Secretary having jurisdiction of the subject matter could fix the amount of production of everything that might be considered ultimately likely to move in interstate commerce. If this is a correct construction of the commerce clause, we have the constitutional foundation of a totalitarian state.

I know of no authority for that action upon the part of the Secretary, and yet this is the real crux of the measure, because the Secretary of Agriculture in advance of the sowing, and, of course, in advance of the reaping, says how much acreage shall be subjected to the production of these crops in a State, and then it is subdivided into counties, and then each farmer is to be allocated the amount he shall produce; and under this measure, beginning with the Secretary's authority in allocating so much to the State, we move down until we have complete control of the farmer as to how much acreage he shall sow to wheat or plant to corn—complete control. I ask, by what authority is that done? The product has not come into existence. It may never come into existence. The fly or the drought or the chinch bug may destroy it; but the Secretary of Agriculture allocates to a State how much land it shall experiment upon, as to whether or not it can produce. This is not only beyond any power of Congress but it is the most drastic control one could well imagine over agriculture, over the farmer. It freezes production at the present point and deprives the individual of all discretion and judgment.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. BORAH. I do.

Mr. ELLENDER. The Senator from Idaho concedes that the Secretary has the right, under the Soil Conservation Act, to state which lands are to be diverted from certain soil-depleting crops, and, after that is done, then to pay out of the fund appropriated so much per acre for as many acres as may be diverted?

Mr. BORAH. No, Mr. President; I do not concede that. I concede that it is being done.

Mr. ELLENDER. That is now the law. That is now being done under the Soil Conservation Act, is it not?

Mr. BORAH. I concede for the purpose of the argument that it is being done. I do not concede the authority to do it. I am not at this time going to discuss the wide difference between the Soil Conservation Act and this bill.

Mr. ELLENDER. Will the Senator further yield?

Mr. BORAH. I yield.

Mr. ELLENDER. Under the bill as it is presently drafted, does the Senator interpret the provisions with reference to corn and wheat as meaning that a farmer is prevented from producing those crops?

Mr. BORAH. No; he is not expressly prevented from producing them, but other provisions of the bill make it perilous for him to do so.

Mr. ELLENDER. All right. That being true, is it not a fact that the bill simply provides that after those crops are produced and are ready for market, the Secretary then may establish marketing quotas and submit the quota for referendum, and, if successful, then the law prevents such surpluses from going into the channels of interstate commerce?

Mr. BORAH. I will come to that in a few moments. We are now dealing with a wholly different proposition. What we are doing now is construing this provision which enables the Secretary of Agriculture to say how much acreage shall be subjected to the production of wheat or corn in a particular State.

Mr. ELLENDER. But there is no inhibition against production.

Mr. BORAH. What is the provision there for?

Mr. ELLENDER. The farmers do not have to comply with the law if they do not want to. They are not prevented from planting wheat or corn. It is only after these commodities are produced that the marketing quota can be placed on them, or that the Secretary has any right to establish a quota.

Mr. BORAH. I will come in a few moments to the provisions which bear on this provision to make for drastic control. I read now from page 15, line 6:

The State soil-depleting base acreage with respect to any commodity shall be allotted among such administrative areas on the basis of the acreage devoted to the production of the commodity during the preceding 10 years (plus in applicable years the net acreage diverted from such production under the agricultural adjustment and conservation programs) with adjustments for abnormal weather conditions and trends in acreage during this period and for the promotion of changes in soil-conservation practices: *Provided*, That any downward adjustment on account of changes in soil-conservation practices shall not exceed 2 percent of the total acreage allotment that would otherwise be made to such administrative area.

(d) Each such local allotment, after deducting the acreage devoted to the commodity on farms on which the commodity is not produced for market, shall be allotted, through the State, county, and local committees of farmers hereinafter provided, among the farms within the local administrative area on which the commodity is produced for market. Such farm allotments shall be equitably adjusted among such farms according to the tillable acreage, type of soil, topography, and production facilities.

Mr. President, leaving out for the moment the question of quota, with which I will deal later, what we have here is an undertaking, either through contract control or through persuasive control, and the persuasion is to be backed up by the withdrawal of favors from the Government if the farmers do not comply—an undertaking to determine the amount of acreage in the respective States which the farmer may devote to these particular commodities. That is the practical effect.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. BORAH. I yield.

Mr. ELLENDER. The same principle is involved in the Soil Conservation Act, is it not? The Government simply offers an inducement for those who agree to perform?

Mr. BORAH. I am discussing the pending bill today.

Mr. ELLENDER. I understand that, but the same principle is involved in the Soil Conservation Act insofar as diversion is concerned, not production. As I interpret the pending bill, so far as diversion is concerned, the same principle is involved as in the Soil Conservation Act.

Mr. BORAH. I do not agree with that view, but, anyway, one unconstitutional measure does not justify another.

Mr. President, I now turn to page 18 and read, beginning near the bottom of the page:

Adjustment contracts shall require cooperators engaged in the production of wheat or corn for market to divert from the production of the commodity during any marketing year the percentage of the soil-depleting base acreage for the commodity proclaimed by the Secretary under this section. Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage diverted from the production of the commodity, as shall be provided in his adjustment contract.

Adjustment contracts shall require a cooperator engaged in the production of wheat or corn for market to store under seal his stock of the current crop thereof up to an amount not exceeding the normal yield of 20 percent of his farm's soil-depleting base acreage for such commodity if the Secretary, at any time during the marketing year for such crop or within 30 days prior thereto, determines that such storage is necessary in order to carry out during such marketing year the declared policy of this act with respect to the commodity; but such storage shall not be required if the Secretary has reason to believe that during the ensuing 3 months the current average farm price for the commodity will be more than the parity price therefor.

Going back to the question of fixing the acreage for the State, or fixing it for the county, or fixing it for the farm, we come to the proposition of a contract. The farmer is tied into a contract, and by that contract he is required to do certain things with reference to his acreage.

On page 20 I find this provision:

If any cooperator during any marketing year produces corn or wheat on acreage in excess of his soil-depleting base acreage for such commodity or fails to divert from the production of any such commodity the percentage of his soil-depleting base acreage therefor required pursuant to this section, then for such marketing year such cooperator shall be deemed a noncooperator and shall not be entitled to surplus reserve loans or parity payments with respect to his production of the commodity for such marketing year. In determining whether or not any cooperator during any marketing year produces wheat or corn on acreage in excess of his soil-depleting base acreage for such commodity or fails to divert from the production of any such commodity the prescribed percentage of his soil-depleting base acreage therefor, wheat and corn shall be considered as one agricultural commodity.

Now construe this clause on page 20 with the provisions on page 14 and you find the farmer is not free to produce. He is severely punished.

I see no escape from the conclusion that through the process of fixing the amount which a farmer may devote to these acreages, following it up by a contract which obligates him to do certain things, and following that up by a provision that if he does not do these things the Government withdraws all support, all loans, soil-conservation payments, and everything else, the farmer is effectively compelled to do or refrain from doing the things specified in the bill.

Mr. ELLENDER. Why is that not a fair condition? Is it not done in business every day? Contracts are entered into between individuals and corporations every day, and if one performs his contract in the manner agreed upon he will be recompensed. I cannot see the difference.

Mr. BORAH. If the Senator has a particular instance in mind in which that is done with reference to business, it might be that we could find a difference. I do not know just what the Senator refers to.

Mr. ELLENDER. Contracts are entered into every day, two parties agreeing on specific things to be done by or for one another, and if the obligations imposed are performed by the parties usually some consideration passes from one to the other. This bill gives rise to a right in favor of a farmer to enter into a legitimate contract with the sovereign, and if this individual agrees to do certain things he is recompensed. I do not see anything wrong with that.

Mr. BORAH. I know of no instance where there would be that relationship between the Government and business, although it may be coming, because the Secretary of Agriculture, in the report of his Department, said very frankly, according to recent reports, that the control of agriculture was the first step; that the other steps were control of industry and of labor. It may be that such a thing is coming, but it will not be with my consent. It may be that the

time will come when the Government will say to the shoe manufacturer of Massachusetts—and, I trust, to the farm-implement people also if the Government is to adopt such a course—as to what amount they shall produce, and what they shall do with it after it is produced, and will make them all sign contracts to the effect that if they do not follow the Government's dictation they shall meet the disfavor of the Government. That may happen.

Mr. ELLENDER. I do not fear that the Government would try to control production in industry, because industry seems to be able to control itself in a measure. As I cited yesterday, for instance, there is in Springfield, Ill., a large factory where hog wire is manufactured, and the owner sells its commodities to the farmer. The moment the owner of that factory perceived that the price of corn was down to 40 cents, and would not remain at \$1.20, it simply limited the production of the factory to suit the demand. Under present conditions I do not fear that the Government will ever have to control business as we are now trying to control agriculture, because I contend that agriculture cannot do what business is doing. The farmers are not organized and cannot be organized.

Mr. BORAH. I should be quite willing to have the Government assist the farmer in any voluntary cooperative movement. Leave the farmer free to run his farm, but assist in disposing of the surplus.

Mr. ELLENDER. The bill does provide for a voluntary control of production in the case of corn, wheat, rice, and tobacco. What would be the suggestion of the Senator from Idaho?

Mr. BORAH. I will deal with that later. But whatever that suggestion may be, the Senator will not accept it.

Mr. ELLENDER. Very well.

Mr. BORAH. On page 25, beginning in line 9, there is this provision:

The amount of the national marketing quota for the commodity shall be so fixed as to make available during the marketing year at least a normal supply of the commodity and in no event shall it be less than the normal supply for the commodity adjusted by deducting, first, the carry-over available for marketing and, second, the quantity not produced for market, nor, on the other hand, shall it in any case be greater than the ever-normal granary supply level similarly adjusted.

On page 26, subdivision (e) provides:

The Secretary shall provide, through the State, county, and local committees of farmers hereinafter provided, for farm marketing quotas which shall fix the quantity of the commodity which may be marketed from the farm. Such farm marketing quotas shall be established for each farm on which the farmer (whether or not a cooperator) is engaged in producing the commodity for market.

This language appears on page 28:

(b) It shall be a violation of law for any farmer to engage in any unfair agricultural practice that affects interstate or foreign commerce, and for each such violation the farmer shall be liable to pay an excess-marketing penalty, at the following rate: 50 percent of the parity price as proclaimed at the beginning of the marketing year by the Secretary under this act and in effect at the time of the violation. Such penalties shall accrue to the United States and shall be payable to and collected by the Secretary.

Now we come to the broad distinction between the action of the individual industrial people, to whom the Senator from Louisiana referred, and the farmers.

They may have entered into a contract voluntarily to reduce production. That is probably one of the practices sometimes indulged in. It can only be done, however, where there is a practical monopoly. But they have nobody over them to impose a penalty, a fine, a judgment of the court, and with power to execute the judgment. The farmer, under the provisions of the bill, is, in the first instance, subjected to a limitation upon the number of acres which he shall plant or sow. Secondly, he is limited under a contract which confines him further in his operation; and, thirdly, if he goes beyond any of the limitations he is subjected by his Government to prosecution and to fine. I am not claiming that this measure is deficient in any respect as an act for compulsory control, if that is what is disturbing the Senator from Louisiana. I think it is sufficient for public control.

I think that is exactly what it does do; and if we are going to have public control, for control of the farmer, I have no objection to the bill; I think it is as good as can be written on that theory.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ELLENDER. With reference to the control features, as I suggested a few minutes ago, there is no control of production insofar as corn and wheat are concerned, nor is there with reference to tobacco and rice. The only real control feature included in the bill is with reference to cotton. That is the only one.

Mr. BORAH. Mr. President, if there is no control in the various features, if they are simply window dressing, why not confine the punishment and the limitation to the quota? Why not say to the farmer, "You may produce what you please. The State of Pennsylvania or the State of Idaho may increase its acreage if it pleases. But it may not ship in interstate commerce beyond a certain amount." But there is control. If the farmer breaks over he is heralded by his Government as an outlaw, punished in ways that would bring great injury if not ruin. I am not surprised that the Senator would soften the blow.

Mr. ELLENDER. That is exactly what the quotas will accomplish if they are voted by the farmers. That is the very point. With particular reference to wheat and corn, it is only after the quota has been established that those commodities cannot be shipped in interstate commerce. That is going to be provided by a referendum of those producing such commodities. The quotas for the other commodities are fixed in a different manner but in effect the same object will be accomplished.

Mr. BORAH. Mr. President, then if that is true, why exercise the unknown political power of having the Secretary of Agriculture say to the State of Idaho, "the amount of acreage which you shall reduce in respect to wheat production or corn planting shall be so and so"? What is it there for? It is there as a blanket power, a beginning, the foundation of that control which finally reaches down to the individual farm. And, make no mistake, the Department will use it.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. MCGILL. Does the Senator construe the provision with reference to base acreage to apply to a noncooperator?

Mr. BORAH. No; I did not do that. But I have undertaken to show that if he is not a cooperator he has the disfavor of his Government and works under the blackmail of his Government.

Mr. MCGILL. He is in the same situation as he would be if there was not a loan program or an agricultural program. He is at liberty to go forward and do as he sees fit, and the Secretary of Agriculture cannot limit his production.

Mr. BORAH. I think the Senator was not in the Chamber when I began my remarks.

Mr. MCGILL. I was here, Mr. President, when the Senator began his remarks.

Mr. BORAH. I undertook to show that if the farmer was not a cooperator, if he did not sign the contract and become a cooperator, that the Government in the very initiation of this matter advised him that all loan checks and all soil-conservation payments would be withdrawn.

Mr. MCGILL. And that would be true if there were no soil-conservation act or no provision for cooperation in this bill. In other words, I make the point that he can go forward and do as he is doing now if he sees fit; he can plant whatever he wants to plant. He does not have to become a cooperator, and the Secretary of Agriculture's determination of the base acreage is not binding on him.

Mr. BORAH. Mr. President, the soil-conservation law, whatever may be its legitimacy, is in existence. It is in operation. The whole Nation is interested in conserving the soil of this country. If a farmer is practicing such methods as to destroy his soil, the Government is interested in seeing

that the soil of the country is preserved. That is a matter of public interest. Yet under this measure, if a man does not sign the contract he is withdrawn from all favors with reference to soil conservation and he is told to do as he pleases so far as soil conservation is concerned.

Mr. MCGILL. Mr. President, will the Senator further yield?

Mr. BORAH. I yield.

Mr. MCGILL. As I understand it, under the soil-conservation program a farmer is required to make certain diversion of acreage, or comply with certain regulations with reference to his farming operation, before he is entitled to soil-conservation payments. Am I correct about that?

Mr. BORAH. I think so.

Mr. MCGILL. Then there is some control, even under soil conservation, with reference to production of commodities, is there not; and is there not a base acreage established under the soil-conservation program?

Mr. BORAH. Why should not a farmer be permitted to exercise his judgment with reference to soil conservation, and in exercising his judgment in favor of soil conservation, if he receives a favor in one instance from the Government, why should he not receive the favor in all instances? You here use them as a club to drive him to this program.

Mr. MCGILL. Whatever soil-conservation program there is now, the farmer, in order to be entitled to any benefits under it, must comply with it, so that the element of compulsion, so far as that element alone is concerned, is in line with the soil-conservation program.

Mr. BORAH. Going back to the subject I was discussing, I read subdivision (e) on page 30, as follows:

(e) Farmers engaged in the production of wheat or corn shall furnish such proof of their acreage, yield, storage, and marketing of the commodity in the form of records, marketing cards, reports, storage under seal, or otherwise as may be necessary for the administration of this section and prescribed by regulations of the Secretary. Any farmer failing to furnish such proofs in the manner and within the time provided shall be guilty of a misdemeanor and upon conviction thereof be subject to a fine of not more than \$100.

I read the provision on page 58:

Any person who knowingly violates any regulation made by the Secretary pursuant to this section shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than \$100 for such offense.

Mr. President, we have been in the habit for years of providing that the violation of a regulation or a rule made by a department shall be punishable as a criminal offense. It is all wrong, and had it not been for one decision of the Supreme Court, I think it would have been eliminated. In a case coming up from Wyoming the Supreme Court indirectly approved of the practice, but the case gave sufficient precedent for further legislation along that line. But to say to an individual conducting his private business in a perfectly legitimate way and for a desired end, that he shall be subject to a rule or a regulation established by the Department for the regulation of that business, and be punishable as a criminal in case he violates it, in my opinion, is not only beyond the power of Congress but it is supremely unjust and supremely unfair. It is the most tyrannical thing that could be provided for under color of law. It is an obligation upon the farmer with which it is impossible for a farmer to comply. It is annoying, pestering, unjust, and a cruel thing.

I venture to say that after the bill shall have been enacted into law, and as regulations are established in connection with it from time to time, that not over half a dozen Senators will know what those regulations are. We are here, in close connection with the Department of Agriculture, but the farmer out on his farm a thousand or two thousand miles away, engaged in what he knows is a legitimate business, if he violates the regulations, is subject to a fine and made a criminal in the eyes of the people. There is your control brought down to its supreme impertinence.

I now call attention to page 81 of the bill.

Mr. AUSTIN. Mr. President, will the Senator yield to me for a question before he leaves that particular point of violation of regulations?

Mr. BORAH. Yes; I yield.

Mr. AUSTIN. I call attention to that provision on page 28 which creates a liability for penalties for an act done, even though there is no element of knowledge. I ask the Senator if he knows whether the committee willfully omitted that element of knowledge from the definition of an unfair agricultural practice with respect to these particular commodities, wheat and corn? The paragraph the Senator refers to relates to rice, but this particular one I refer to relates to wheat and corn, and there is that difference between them, that in the one case it includes the common scienter, and in the other it omits it. I wonder if the Senator knows whether that was done intentionally or not?

Mr. BORAH. I do not know. I have no information on that subject. I presume that in all probability it was thought to be the wise thing to do, and they did it. I assume that; for the reason that attention was called to it earlier in the discussion, and no suggestion has been made with reference to changing it or omitting it.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ELLENDER. With reference to the question propounded by the Senator from Vermont [Mr. AUSTIN], the differentiation I would make is that on page 22 it is provided that any farmer who has excess wheat and corn in store can sell it. He can do so deliberately, voluntarily, or as he chooses; and if he does, then he pays a penalty. Whereas the other section referred to by the Senator from Idaho makes it a criminal offense if a person willfully fails to keep the records referred to. The former relates more to a civil action and the latter to a criminal action. That is, a penal provision is imposed only if he fails to keep the records. In the other he has a right to sell his excess providing he pays the penalty, which is collected by civil suit should payment be refused.

Mr. BORAH. I now call attention to page 81, paragraph (h), which reads:

(h) No payment shall be made with respect to any farm pursuant to the provisions of this act and of sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, with respect to cotton, wheat, corn, tobacco, and rice unless, where the area of cropland on the farm permits, and it is otherwise feasible, practicable, and suitable, in accordance with regulations prescribed by the Secretary, there is grown on such farm an acreage of food and feed crops sufficient to meet home consumption requirements.

The able Senator from Louisiana advises me that he was the author of that amendment. It is in perfect harmony with his philosophy with reference to this bill. It involves more complete control. But let us see what it means. If a farmer fails to produce on his farm sufficient for home consumption under the rules and regulations prescribed by the Department at Washington as to what is necessary for home consumption and what he should produce, whether cabbages, artichokes, or potatoes, and in what amount, if he fails to conform to the Secretary's regulations with reference to this matter, all favors are withdrawn from him under this proposed act.

Let us reflect for a moment what that means. It means that the Secretary of Agriculture is to determine for every farm producer in the United States what it is necessary for him to produce on his farm for home consumption. The Secretary fixes the rules and regulations with reference to how the farmer shall produce and what amount he shall produce. It would take a half million men to oversee the farmers of the United States and to determine from year to year what is necessary for home consumption.

I understand the philosophy back of the proposition. It is a sound one. I think the farmers, if they can, should produce for home consumption. But in the name of common sense, in the name of the intelligence and judgment of the American farmer, and in the name of free agriculture,

will you not leave to the farmer to determine what he can raise and how much he should raise to feed his family, his mules, and his dog? This is not drastic control, we are told.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BORAH. I will yield in just a moment. But to impose upon a farmer regulations and rules prescribed by the Secretary, to determine whether he can produce them or not, whether his farm is adapted to such production or not, and as to the amount he shall produce, is an obligation impossible of fulfillment by the farmer and equally impossible of fulfillment by the Secretary of Agriculture. You would suppose the farmer had just escaped from the home for the feeble-minded.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. BORAH. I yield.

Mr. ELLENDER. The Senator from Idaho has correctly stated the purpose of this provision. It strikes me that the Secretary would have the right to impose such regulations as a further condition to payments with reference to the soil-conservation or any other payments under this proposed act. The authority of the Secretary extends only as to whether or not the land is adaptable in the particular locality for the purpose of growing food crops.

Mr. BORAH. "Feasible, practicable" is the language of the bill.

Mr. ELLENDER. That is correct; "and suitable."

Now let us consider the far Northwest, where nothing but wheat can be produced in certain areas; many witnesses so testified; that is, that nothing but wheat can be produced. If it can be shown to the Secretary that it is impossible to grow food crops for home use, that it is impossible for such crops to be grown, of course, this section will not apply to such an area. But let us take the southern section. There, in cases in which it is shown to be feasible for the farmer to grow foodstuffs for his own consumption, the Secretary of Agriculture may so prescribe. He does not have to say that the farmer shall grow, let us say, beets, or that he shall grow this, that, or the other. But the point is that the Secretary shall have the right to say that such food crops can be grown. The farmer must produce such food crops as he consumes. The farmer will not have to grow any particular food that he does not usually consume. He will not be asked to grow cabbages if he does not eat them. But if he does like cabbages and the Secretary determines that he can grow them, then he will be required to grow them instead of using his cash money he derives from the farm from other crops to purchase a supply of cabbages. That is the main object of the provision, and that is the extent to which the Secretary will have the right to prescribe rules, taking into consideration whether or not the lands can grow the crops that will provide food for the farmer.

Mr. BORAH. The Senator says that is the extent of the Secretary's power, and that is the extent. The extent is that he may control and direct the farmer as to what it is feasible for him to do. How much further could you go?

Mr. ELLENDER. No; as to whether the land is feasible for growing certain products that the farmer consumes.

Mr. BORAH. Exactly; but the farmer is the best man on earth to determine that fact. Let us get away from the fool idea that the farmers of the United States do not know how to run their farms. They know better than anybody else in the world how to run their farms. We have the best farmers on the face of the earth; they have produced beyond all other farmers; they know how to produce. They know how to use their farms, and I do not propose, so far as I am concerned, to place over them someone else who cannot know how their farms should be run.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield further to the Senator from Louisiana?

Mr. BORAH. I yield.

Mr. ELLENDER. It is not my purpose to tell the Senate how I operate the two farms I have in Louisiana, but—

Mr. BORAH. I do not care to have the Senator do that. I know the Senator is a successful farmer; I take that for granted, at least for the purpose of this argument.

Mr. ELLENDER. The point is that so long as some farmers have guidance they can do well, and this bill will show them the way and afford them a road to success if only they follow it.

Mr. BORAH. I do not care to go into that matter.

Mr. ELLENDER. Very well.

Mr. BORAH. If the Senator will excuse me, I am discussing the bill.

Mr. ELLENDER. I merely wanted to show that some farmers need guardians. They are unorganized and this will afford them an opportunity of doing their work more in unison.

Mr. BORAH. I presume so. I have seen several of them; some of them are in the Senate. [Laughter.]

Mr. President, I have gone briefly into this matter for the purpose of determining the extent of control of the farmer in this bill.

The able Senator from Louisiana, in the opening of his speech the other day, dwelt earnestly upon the desire of the Democratic Party to serve the masses. I have no desire to take issue with him upon that point at this time; but, so far as this bill is concerned, and so far as the idea of crop control is concerned, there is no partisanship involved. The idea of crop control, and the philosophy of reduction of foodstuffs in the midst of hunger, originated in the previous administration. Mr. Hoover was the author of that doctrine. He was the first man not only in the history of the United States but in the history of the world to propose scarcity as a remedy for economic ills. The whole world for 3,000 years has been inventing machinery and applying itself in every way to produce more and more in order that the human family might live in ordinary decency. If there is any glory in the philosophy which we are now proposing to enact into law, that glory must be shared with the previous President of the United States. I was opposed to it at the time and I am opposed to it now.

Let us look at the Democratic platform. It would be a good idea for the Democratic Party to get back to its pledges. I read first from the Republican platform, as follows:

The fundamental problem of American agriculture is the control of production to such volume as will balance supply with demand.

Mr. LOGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. LOGAN. The Senator is reading from the Republican platform, is he not?

Mr. BORAH. I am now reading from the Republican platform, but I am going to read from the Democratic platform and compare the two.

Mr. LOGAN. Is what the Senator has read in the Republican platform?

Mr. BORAH. It is in the Republican platform.

Mr. LOGAN. Then the Republicans ought to get back to their platform pledges.

Mr. BORAH. Yes; those who supported the platform, I presume, should do so. [Laughter.] But that platform was repudiated, so there is not much of an obligation to stand by it. I repeat the statement in the platform:

The fundamental problem of American agriculture is the control of production to such volume as will balance supply with demand.

At the time that platform was adopted 50 percent of the people in the United States were living on less than the bare necessities of life.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. In what year was that platform adopted?

Mr. BORAH. It was adopted in 1932.

Now we turn to the Democratic platform, from which I read:

We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator in farm products, and the unsound policy of restricting agricultural products to the demands of domestic markets.

There is the policy which this administration sanctioned. And you now reject your platform and adopt the policy of Mr. Hoover.

That brings me to the second objection which I have to this bill. I shall discuss it quite briefly at this time. We are facing, Mr. President, a winter during which literally millions of people will be without sufficient food. Not merely persons on the actual relief rolls but hundreds of thousands, if not millions, of others are living on less than that which would constitute a decent standard of living. We are facing a winter during which millions of children will be kept out of school because of insufficient food or insufficient clothes to enable them to attend. Many of the staple American foods are now, for all practical purposes, off the American table. At least 40,000,000 people look with worry and deep fear upon the coming winter. They are experiencing the sad plight of those who live in a land of plenty—but it is all just beyond the reach of them. It brings us to the proposition of whether the limit of our ability is to continue to reduce the food which the people need and that from which clothes are made for those who are ill-clad.

What was it that brought disaster to the American farmer? It was not his fault. He was industrious. He was energetic. He had produced. He was ready to feed the American people. That which brought disaster to the farmer was the fact that the economic system under which we live had reduced nearly one-half of our people to the very utmost limits in the adverse direction of purchasing power; the millions who were unable to buy that which they sorely needed.

In 1929, one of the greatest wealth-producing years in the history of the United States, the facts and figures now disclose that nearly 70 percent of the people had their purchasing power reduced to the very minimum and were living upon the bare necessities of life—forty to fifty million below the necessities of life.

It is said that in 1929 that the late Mr. Mellon—and I mention him not in disrespect but as an illustration of monopolistic systems—was estimated to be worth \$500,000,000. I say "estimated." He himself did not know the extent of his wealth. While he was worth \$500,000,000 there were at least 50 percent of the people in the United States who could not supply their tables with what they needed to eat. Under those conditions how long can a republic exist, how long can a free government be maintained, how long can a free society be preserved? Yet, my friends, the limit of our efforts in this matter is to continue to make it more difficult for those people who are now in need to get sufficient upon which to live.

It seems to me, without criticizing anybody, knowing my own shortcomings, that in dealing with these questions we fail to get the national viewpoint. We fail to include the Nation as a whole. We see groups, and we undertake to legislate for groups without a clear understanding of what effect that legislation may have upon other groups or upon the Nation as a whole.

I know that the farmer needs help. I know that he should have it. But I cannot forget that if we increase the prices on the farm without making any provision for compensation to those who must pay the increased prices we are doing a great injustice to almost one-half the people of the United States. I feel that we can help the farmer and at the same time do justice to those who must also have our consideration.

We have in the bill a provision for what is called the ever-normal granary. That is not a new idea. The Chinese, long

before the birth of Christ, had what they called an ever-constant granary. Joseph, that brilliant Hebrew leader, also had a granary. But neither the Chinese nor Joseph ever conceived of the idea of associating an ever-normal granary with a reduction of the production of foodstuffs. Their plan was to produce, put it in the granary, feed the hungry, feed those who needed it, but not to reduce production at the same time they were undertaking to care for the hungry. I think the ever-normal granary has its place at this time, but I want it used to take care of those now in need and not kept locked and sealed until a drought comes, which may never come.

The President said sometime ago, according to the press, that if we had sufficient foodstuffs and sufficient raw materials for clothing, so we might feed and clothe the people of the United States on a decent standard, we would have to have 43,000,000 producing acres in addition to what we have. The Brookings Institution estimated it at 23,000,000 acres. It is immaterial which, because the fact is that today we are producing less than that which is necessary for the people to have.

I would use the ever-normal granary, but I would not interfere with natural production. I would use the ever-normal granary for the purpose of gathering up the surplus, separating the surplus from the domestic requirements, putting the surplus in control and either using it for the purpose of feeding those who need it or using it for the purpose of supplying foreign markets at whatever price I could get.

To pursue a policy of reduction of production which has no regard whatever for the millions of hungry people in the United States will not long benefit the American farmer. Why? It means a constant reduction of the purchasing power of more people in the United States. It means that in another few years we will have to have another reduction of production. As Mr. Wallace said in his Memphis speech, the program of reduction of production necessarily means a rereduction of production every so often in order to maintain prices. That, Mr. President, means national suicide. To reduce production today, with the falling of the purchasing power of the people under our present system, and reduce production again next year or the next few years, I repeat, would be national suicide. We are the only nation in the world engaged in pursuing any such philosophy. All other nations and all other people are seeking to increase production and are seeking to increase the production of foodstuffs. They are enlarging their acreages all over the world. They are taking our markets from us. They have already taken from our cotton producers the market for some seven or perhaps ten million bales of cotton.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. The Senator is making a very interesting speech on the philosophy of scarcity and abundance. I wonder if the Senator will admit it is true that of those nations which are increasing their farm production the overwhelming majority are nations which have heretofore been required to purchase in foreign markets what they lacked in their own production, and that a drive has been made in all those countries to increase their production in order that they may become self-sufficient?

To Germany, Italy, and India—and I have particular reference to Italy—there was a time when the farmers of Kentucky sent 50,000,000 pounds of tobacco. Following the war Italy inaugurated a program to make Italy self-sufficient in the production of tobacco. In that way they took a very substantial market away from the people of Kentucky for that tobacco.

It is not true that any nation has an unsalable surplus without a market and has, in spite of that fact, entered upon a program further to increase the production of a surplus and therefore make it unsalable.

Mr. BORAH. I do not know of any country which has a surplus. It may have a surplus of a particular commodity,

like coffee in Brazil, but of the general commodities with which we are dealing I know of no country which has a surplus. I agree with the Senator that nations are pushing forward and undertaking to become self-sufficient. They are taking our markets away from us, undoubtedly. This bill will aid them to get more of our markets.

Mr. BARKLEY. The Senator said we have no surplus. The Senator does not consider in that statement such commodities as cotton, of which we have a surplus. It may be true that if everybody in the United States could buy all the cotton they might be able to use, we might consume all the cotton we might reasonably produce. But that would mean a long process of education not only in the use of cotton products, but in the economic distribution of cotton products, which may come about some day, but I am not certain it will ever come about. As long as we cannot, under our economic system, consume the cotton we produce or the tobacco we produce, it seems to me that we either must find a market for it outside of the United States or we must curtail production; or if we are not to curtail the production, assuming we have a surplus, we must find some way by which it may be distributed to those who need, whether by way of wearing apparel or food.

I wonder what the Senator's remedy would be for the situation? Assuming that we ought to consume in this country all the food we produce, assuming that millions of our people may be underfed and underclothed, what is the Senator's economic program? I ask this because I have great respect for the Senator's views on this and other subjects, and for his sincerity. What sort of program would the Senator inaugurate in order that those underfed and underclothed people may obtain this surplus food which we produce if we are to continue to produce it?

Mr. BORAH. Mr. President, basically I would, in the first place, give the American market exclusively to the American farmer. Secondly, I would proceed to legislate upon the theory of separating the domestic needs from the surplus needs. I would deal with the question of surplus alone. I would not interfere with production, leaving that to the farmer; but I would as a Government, where it was necessary to assist in disposing of these surpluses, take the surplus off the market and separate it from the domestic demand.

Mr. BARKLEY. Would that involve the Government purchase of these surpluses?

Mr. BORAH. It might and it might not. In the first instance, we could simply issue a certificate to the farmer for the amount of surplus which was taken off the market, and he could either hold it on the farm or the Government could hold it, but if we used it for the purpose of feeding the poor, which we should, of course it would involve the Government's buying it.

Mr. BARKLEY. Of course, because the hungry man could not eat or wear the certificate which represented the withholding from the market of whatever commodity was involved in the certificate. So if the surplus is to be withheld from consumption, of course, it will be withheld, according to the Senator's theory, from those who need it. If it is to be distributed among those who need it, how is it to be distributed unless the Government itself purchases it and in some way dispenses that food and clothing among those who are unfed and unclothed?

Mr. BORAH. I do not think the Senator understood my statement. I said that we would issue a certificate for the surplus, and when we used the stuff for the purpose of feeding the poor, and so forth, we would buy it and pay for it.

Mr. BARKLEY. That is, the Government would buy it and pay for it.

Mr. BORAH. Yes; exactly. I would pay out our money to feed the needy rather than pay out our money to make it more difficult to get food.

Cotton stands in a category by itself. For the past 10 years we have had 20 percent or less of surplus of wheat. We have had about 8 or 9 percent surplus of hogs. We have had possibly 1 percent or $1\frac{1}{4}$ percent surplus of corn. Where

is this so-called surplus? In my opinion, the Government could handle that surplus infinitely better by separating it from the domestic market and using it as the Government must use either that or something else to keep the people from going hungry.

Somebody read the other day from a hearing the statement by some farmer that that theory was all right, but that we were facing realities, facing facts, and we had to deal with them, and therefore we could not take into consideration the hungry. I say, Mr. President, that the most stupendous fact and reality in this country today is the thirty or forty million people who, the President says, are insufficiently fed. That is a fact which we cannot ignore; and if it takes every dollar in the Treasury, we shall have to take care of that fact if we are going to preserve this Republic. Every dictatorship in Europe is the child of want and hunger and misery. A people will suffer long, but hunger and sickness and roofless sleeping places have a corroding effect upon the moral fiber and the patriotism of a people.

We cannot permit this condition to continue from year to year and from decade to decade, or we shall rear a class of human beings who are full of disturbance for the American people. That is a reality. That is a fact. It is a fact with which we must deal, regardless of what it costs.

Mr. BARKLEY. Mr. President, will the Senator further yield?

The PRESIDING OFFICER. Does the Senator from Idaho further yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. The Senator referred to the small surplus of wheat during the past few years. Of course we realize that that was due in part to weather conditions.

Mr. BORAH. Oh, no!

Mr. BARKLEY. Because up until 3 or 4 years ago we had, on the average, an annual surplus of about 200,000,000 bushels of wheat. We raised, as I recall, in the neighborhood of 800,000,000 bushels annually, and we were able to consume among our own people about 600,000,000 bushels, which left about 200,000,000 bushels. These figures are not exact, but in round figures that statement is correct. This year we have produced a larger crop of wheat than we have produced in any year for the past 5 years.

I am asking these questions in good faith, because I realize that as long as there are hungry people in this country there must either be Government provision for their support, or we shall have to inaugurate some sort of economic system that will enable them to support themselves. It has been largely through that theory that I have voted and all of us have voted for work relief and work programs that would enable these people to earn a living by the sweat of their brow, and hold up their heads in decency and self-respect like all other people, at least under the theory that they are earning what they get.

If we may assume that we have an annual normal surplus of some 200,000,000 bushels of wheat, which probably will be progressively reduced as we increase our population unless we increase our production, does the Senator feel that the Government ought to buy the 200,000,000 bushels extra, and, through some method of its own, distribute that surplus in the form of bread or flour or food in one way or another to these people who are unable to buy it because in some way, through our economic system, nobody has been able to devise a way by which they may earn their living by working in private industry or elsewhere? What are we to do about it?

Mr. BORAH. Mr. President, I disagree with the last statement of the Senator. We have been able to devise methods, but we have not had the courage to put them into effect.

Mr. President, in the first place, the average surplus of wheat for the past 10 years prior to this year was about 20 percent of the crop; and bear in mind that just prior to the World War we were shipping abroad only about 50,000,000 bushels of wheat per annum. The farmer had accommodated himself to the situation; but during the

World War the farmers were encouraged to increase acreage, to increase production, and since that time the surplus has been larger.

It has been only about 20 percent. Now, the Senator asks me if I would take that surplus off the market at the expense of the Government. I would take it off the market at the expense of the Government so long as there were people in the United States who were in need of it for use.

Mr. LOGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the junior Senator from Kentucky?

Mr. BORAH. In just a minute.

Let me say here that we are disturbed as to what we are going to do about the cost of this bill. Nobody knows what it will cost. Nobody knows what the taxpayers will have to pay under this bill. Let us assume that it is a billion dollars if the bill is made effective. I can find competent men who have studied this question who will tell us that we can take these surpluses outside of cotton and deal with them effectively for a billion dollars a year, and let those get them who need them. Instead of that, shall we pay a billion dollars a year for the reduction of that which they need, when we could feed them with a billion dollars that which they need, and the farmer would still have his price?

Mr. BARKLEY. The Senator, of course, realizes that the more effective this bill becomes in the control of production the less it will cost out of the Treasury?

Mr. BORAH. Yes.

Mr. BARKLEY. Because the law of supply and demand will solve at least the question of price; and the more satisfactory the solution as to price is the less will be the requirement of the Government to indulge in payments.

Mr. BORAH. There is another cost about the matter which increases. I understand now it costs \$40,000,000 per annum to administer \$400,000,000 of soil conservation.

Mr. LOGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the junior Senator from Kentucky?

Mr. BORAH. I yield.

Mr. LOGAN. The point the Senator has raised which disturbs me most is his statement that the reduction of production for the purpose of maintaining prices will eventually result in national suicide. That is the weakness of the legislation embodied in this bill. But is it not also true that if farmers are continuously required to produce crops at less than cost, that will destroy the farming industry, and will not that likewise result in national suicide?

Mr. BORAH. Yes; I agree perfectly with the Senator. I have no intention of interfering with a reasonable price for the farmer in this matter. When I say I would take the surplus off the market and deal with it, I have in mind the fact that with the surplus off the market the farmer would get a reasonable price for his product.

Mr. LOGAN. I agree with the Senator about that.

Mr. GREEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Rhode Island?

Mr. BORAH. I yield.

Mr. GREEN. The Senator from Kentucky asked some questions about the theory of scarcity as adopted by foreign countries. I should like to ask the same question about this country. Do not the great corporations, the trusts, adopt this theory of scarcity? When the price falls below a profitable point, do they not reduce production in order to meet it?

Mr. BORAH. Yes; a thing which could only be done by monopolies. And I favor and have favored for 30 years destroying monopolies.

Mr. GREEN. And whether that is right or wrong, justifiable or not, must not someone take the same course for the farmer in order to protect him in the same way that the industrialists are protected?

Mr. BORAH. Yes, Mr. President; the industrialists do that very thing. They turn hundreds of thousands of per-

sons out of employment; they reduce others to a point of greater necessity; and that is one reason why in 1929, the greatest wealth-producing year of the century, nearly 50 percent of our people were living on the bare necessities of life.

Mr. GREEN. Exactly.

Mr. BORAH. Those people the great corporations had turned out, but the corporations had continued to increase prices upon them. That should not be permitted in this country for a moment.

Mr. GREEN. I agree with the Senator.

Mr. BORAH. But I am not willing to follow the trusts and the monopolies and the combinations in establishing a rule for the farmer.

Mr. GREEN. But so long as that condition does exist, must we not protect the farmer against it, just as we protect the farmer against the increased prices caused by the tariff? That is my question—not whether it is right or wrong but if we do it for the one must we not do it for the other?

Mr. BORAH. I would rather go back and make the first man pursue a right course than to pursue a wrong course with reference to the second man. So long as private corporations fix prices you will have millions with little or no purchasing power, and so long as you have millions without purchasing power you will have a serious farm problem.

Mr. GREEN. Does not that mean that we would postpone the protection of the farmer indefinitely?

Mr. BORAH. No, sir; it does not.

Mr. GREEN. Why not?

Mr. BORAH. For the reason, as I have said, that to meet the present exigency, and to enable the farmer to have a reasonable price, I would separate the surplus from the domestic market, and deal with the surplus through the Government, and enable the farmer thereby to get his price, in the hope that within a reasonable time the American people would assert the power of the Government, take control of the corporations, and see that they were administered in the interest of the people, as well as themselves.

Mr. GREEN. I should say that would be postponing relief indefinitely.

Mr. BORAH. Mr. President, I am bound to say that either the Senator from Rhode Island does not understand my language or he does not comprehend it, because I said that to meet the present emergency I would deal with the farmer by taking the surplus off the market, and thereby enable him to get a reasonable price for his product.

Mr. BARKLEY. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. BARKLEY. Following the question of the Senator from Rhode Island, which I understood to be based upon the practice of private corporations in reducing production when they have a surplus, or such a surplus as, when they attempted to sell it, would reduce prices, how would the Senator compel any corporation to continue the production of a product which it could no longer sell? How would he have the Government stop the production of that article by corporations and the continuation of employment through any law, if they reached a point where they had produced sufficient to fill their shelves for, say, 6 months, which has happened in this country within the year? Certain great corporations, probably looking forward to an increased cost of manufacture, have produced for a while more than they needed for that particular period. They have filled their inventories, and they have suspended operations, in part, until the surplus can be absorbed by the public. How would the Senator have the Government compel a private corporation to continue the manufacture of its product after it had reached the point of saturation?

Mr. BORAH. Mr. President, no corporation can control prices or control production unless it is practically a monopoly.

Mr. BARKLEY. If the Government takes over the duty of telling a factory how long it shall work and how much

surplus it may produce, when it may let off men and when it must increase employment, is not that the practical application of the very Fascist doctrine we are seeking to avoid in the United States?

Mr. BORAH. No; as I see it, far from it. I would not ask to have the Government tell a factory or a corporation when it should produce or when it should not produce, but I would destroy the monopolistic power of a corporation to control a product; and, if we destroy its power to control a product, it no longer can fix the price or prevent production. It must proceed on a basis of competition, and all competitors will determine those things.

Mr. BARKLEY. When the Government of the United States advertises for bids for certain material through one of its departments, and there are 59 bids, all of them identical to the copper cent, in spite of the laws and all the efforts to enforce the antitrust laws to prevent monopoly and combination, it presents some discouraging phases with respect to the ability of the Government to effectively deal with monopoly. I am in favor, as much as the Senator from Idaho is, of controlling trusts, and I know how earnestly he is in favor of curbing monopoly; and I think we would all welcome some magic wand that might be effective in accomplishing that purpose.

Mr. BORAH. Mr. President, I am familiar with the instance of which the Senator speaks, where the Government asked for bids and got back, I think, 59 all in the same figure. It was that instance, among others, which caused the President of the United States to say:

This question of monopoly must be solved, and I am going to do it.

In my opinion, if the President directs the energy and ability which he possesses in the direction of ending monopoly in this country, it can be ended. I will never consent to the proposition that the corporations of this country are stronger than my Government. We govern, not they, if we have the courage to enact the laws to govern.

Mr. GREEN. Mr. President, may I ask the Senator another question?

Mr. BORAH. I yield.

Mr. GREEN. Even assuming there were no trusts or monopolies or corporations, suppose the conditions were such that it did not pay to manufacture, and there were real overproduction. Would not that condition apply to all manufacturers, large and small? Would they not all cease to produce?

Mr. BORAH. I presume that if that should happen something of the kind the Senator speaks of would be the result. But if we can have competition, if we get rid of a monopoly, the demand throughout the country, through the distribution of purchasing power, will be so great that there will be very little likelihood of overproduction.

Mr. GREEN. That is just what has happened with the farmer.

Mr. BORAH. The farmer has had overproduction because the American people were unable to buy that which they actually needed, and they were unable to buy because monopoly was fixing the price of everything which went into the homes and upon the backs of the American people.

Mr. GREEN. It is not only monopoly that contributes to that condition. As I have said, if we did away with monopoly, the same condition might exist.

Mr. BORAH. We will first do away with the monopoly, and see whether the Senator is correct or not. I do not think that in a country free of monopoly you will find a great amount of poverty.

Mr. ELLENDER. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. ELLENDER. As I understand the able Senator from Idaho, he plans to help the farmer by having the Government take over surpluses. Is that correct?

Mr. BORAH. That is part of it; yes.

Mr. ELLENDER. To what extent will these surpluses be taken over? When and how will surplus be determined?

Will it be at a point when the price of the commodity will reach a certain level?

Mr. BORAH. It would be determined by the Secretary of Agriculture estimating, or someone estimating, what the domestic demand in the country is.

Mr. ELLENDER. The Senator would like to see the farmer get at least cost of production?

Mr. BORAH. I would like to see it, but I do not know that we are going to have it very soon.

Mr. ELLENDER. As a matter of fact, just boiling down his suggestion of aiding the farmer will not the Senator say that, after all, what he is after is to increase the farmer's price by having the Government take care of the surplus and store it to keep it off the market, so that the farmer may maintain his price? Under the pending measure we say to the farmer, "We suggest that you produce just a certain amount," and the amount is fixed by the Secretary on a basis of average consumption. In fact, he would use the same yardstick, I believe, as has just been suggested by the able Senator. What is the difference after all?

Mr. BORAH. The difference is that the plan the Senator proposes does not take into consideration at all the conditions and the interests of the hundreds of thousands of people in this country who need this food the Senator is proposing to have destroyed.

Mr. ELLENDER. What we are trying to do, as I conceive it, is to increase the buying power of the farmer, because if we do not he is going to be in the class of the 40,000,000 needy we have been discussing.

Mr. BORAH. I agree with the Senator perfectly; but I want to increase the price to the farmer and, at the same time, by taking care of the surplus and disposing of it to the needy, take care of the needy.

Mr. ELLENDER. The Senator certainly does not want the Government to take care of the 40,000,000 indefinitely, does he? Does he not want to make them self-sustaining, if possible?

Mr. BORAH. I do; but, if necessary, I would prefer to have the Government aid them indefinitely rather than to permit them to go hungry indefinitely, as the Senator seems to propose.

Mr. ELLENDER. In addition to that, does not the Senator feel that under the proposed legislation if we can increase the buying power of the farmer that in itself will cause the wheels of industry to turn so as to supply his needs, and then a good many of those 40,000,000 people will get employment?

Mr. BORAH. My recollection is that that did not happen in 1929. In 1928 and 1929 the farmer had very fair prices for his products, but conditions obtained where the people were unable to buy what the farmer was producing.

Mr. ELLENDER. The farmer got fairly good prices, but not in proportion to what he had to pay for what he needed.

Mr. BORAH. That is what I am saying; let us take control of those who fix the prices of the things which the farmer has to buy.

Let me call attention to an instance and see whether or not the Senator would want the farmer to have to compete with this kind of a condition of affairs.

Mr. ELLENDER. The Senator need not argue that point. I agree with him that monopolies should be destroyed or big business should be controlled in some way so as to curb price fixing. I agree with him in that; but that in itself will not cure the evils of which he complains. It is my firm belief that unless the farmer receives a fair and just return for his labor he will not be able to survive and will soon be on the relief rolls. No matter what the price of a plow or of a rake or any other farm tool is, he must first have the money with which to buy such of the articles as he needs.

Mr. BORAH. Let us take, for instance, the International Harvester Co., a complete trust. During all these years in which the farmer has been struggling to keep himself on the farm and to escape foreclosure the prices of farm implements have been constantly rising, and they have been going up because a monopoly fixed the price. It is not true of farm implements alone but of everything which goes into the home

and of everything the farmer eats except what he produces on his farm.

For instance, these are some of the prices paid by farmers for the most commonly used farm implements:

	1914 prices	1934 prices
Disk drills, 12 tubes.....	\$85.38	\$142.00
Farm wagons, 2-horse.....	69.14	104.00
Grain binders, 6-foot.....	131.28	228.00
Hay loaders, cylinder (elevator).....	66.73	117.00
Mowers, 2-horse, 5-foot.....	47.66	79.90
Corn planters, 2-row, check.....	41.96	81.30
Walking plows, 14-inch, steel.....	15.01	20.58
Walking cultivators, 5-shovel.....	7.35	8.60
Single disk harrow, 16-inch, 12-disk.....	31.39	62.00
Riding cultivators, 1-row, 6-shovel.....	31.72	55.90

Now let us see how prices are still going up. In 1935 a 60-tooth steel harrow, with $\frac{1}{2}$ -inch teeth, cost \$17.80. In 1938 it will cost \$19.70.

A 90-tooth steel harrow with $\frac{1}{2}$ -inch teeth in 1935 was \$28.35, in 1938 will be \$31.15.

A 14/16-inch disk harrow in 1935 cost \$47, and in 1938 the price will be \$59.50.

A 14-inch two-way sulky plow in 1935 cost \$86.50, and in 1938 the price will be \$96.50.

A 5-inch big frame mower in 1935 cost \$63, and in 1938 the price will be \$80.25.

A 10/26 S. D. rake with mount wheels cost \$35.50 in 1935, and in 1938 the price will be \$42.75.

A 4-wheel sweep rake in 1935 cost \$56.25, and in 1938 the price will be \$57.50.

A 6-inch grain binder, less transports tongue and trucks, in 1935 cost \$165, and in 1938 the price will be \$200.50.

Mr. President, these figures illustrate what the monopoly does to the farmer with reference to farm implements. It does not make any difference what the condition of the farmer is or how he is situated economically and financially, they fix the price for that which he has to have in order to run his farm, and they fix the price of everything else he has to buy in order to live.

My contention is that while that cannot be cured at once, while it will take time to do it, in the meantime the sensible way to help the farmer is to separate the surplus from the domestic demand and let the Government dispose of the surplus in the interest of those who need it.

Mr. ELLENDER. And that supply would be limited to the demand?

Mr. BORAH. And the supply would be limited to the demand.

Mr. ELLENDER. In other words, you would certainly have to maintain the consumption of the supply in order to maintain the stable price to the farmer, would you not under your plan? Is that right?

Mr. BORAH. Yes; you would have to do that under this plan.

Mr. ELLENDER. I am just showing the analogy between the Senator's plan and the one in the bill.

Mr. BORAH. The Senator's analogy fails by reason of the fact that his proposal makes it even more difficult for them to live than under the difficulties they now experience.

Mr. ELLENDER. Of course we do not quite agree on that. The Senator mentioned a while ago that we lost our foreign market. Will the Senator not concede that one of the main reasons why we lost our foreign market was because this country did not extend much credit to the countries abroad? Will not the Senator concede that lack of credit is one of the main reasons for the loss of our foreign market?

Mr. BORAH. It is very probable that if we had gone over there and given them the money they would have bought more from us. I do not want to do that. We have about 12 billion over there now.

Mr. ELLENDER. I know; but does the Senator feel that if we could extend credit to foreign countries as we did in the past, that they would absorb more of our surplus?

Mr. BORAH. As I say, I think if we furnished the money they would buy the cotton.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. GREEN. As I understand, the Senator from Idaho proposes that the Government buy this surplus and then give it away or dispose of it in some manner to those who are unable to purchase it, that is, the millions of unemployed we have at present. We are all trying to do away with this unemployment. Let us assume we are successful through the various measures we are undertaking to put into effect, what about the surplus then?

Mr. BORAH. Mr. President, the outlook looks very dark. By February three or four million more people will be out of employment. You are not succeeding in that proposition, and you are not succeeding because you are proceeding on the theory of scarcity instead of plenty.

Mr. GREEN. Suppose we proceed on the Senator's theory, and suppose we do away with unemployment, then what are we going to do with the surplus which the Government buys?

Mr. BORAH. Mr. President, according to the statistics which have been furnished me, it would take at least 23,000,000 more acres producing foodstuffs to furnish the people of the United States that which they ought to have.

Mr. GREEN. Then the Senator's answer is that there would not be any surplus?

Mr. BORAH. No, indeed. If the people had what they ought to have in order to enjoy a decent standard of living, there would not be an ounce of overproduction on the American farms. There never was any overproduction on the American farms until the producing power of the vast mass of the American people fell so low that they could not buy that which they need.

Mr. President, I think I have concluded what I had to say. I have been detained longer than I had hoped to be when I took the floor. I shall discuss some other features of the bill when we come to consideration of amendments, but for the present I yield the floor.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The question is on agreeing to the first committee amendment.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pepper
Ashurst	Davis	La Follette	Pittman
Austin	Donahay	Lee	Pope
Bailey	Duffy	Lodge	Radcliffe
Bankhead	Ellender	Logan	Russell
Barkley	Frazier	Loung	Schwartz
Berry	George	Lundeen	Schwellenbach
Bilbo	Gerry	McAdoo	Sheppard
Borah	Gibson	McCarran	Shipstead
Bridges	Gillette	McGill	Smathers
Brown, Mich.	Glass	McKellar	Smith
Brown, N. H.	Graves	McNary	Thomas, Okla.
Bulkeley	Green	Maloney	Thomas, Utah
Bulow	Guffey	Miller	Townsend
Burke	Hale	Minton	Truman
Byrd	Harrison	Moore	Tydings
Byrnes	Hatch	Murray	Vandenberg
Capper	Hayden	Neely	Van Nuys
Caraway	Herring	Norris	Wagner
Chavez	Hitchcock	Nye	Walsh
Clark	Johnson, Calif.	O'Mahoney	Wheeler
Connally	Johnson, Colo.	Overton	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. BRIDGES. Mr. President, since Congress convened in special session on November 15 we have spent an interesting period here in this body with nothing definitely accomplished. Time has been spent in discussing antilynching and the so-called farm bill. The farm bill is a document of some 27,000 words. The more one reads of it and the more one listens to a discussion of it, judged from the expressions heard around the Chamber, the less one knows about it. The details of this particular farm bill have been discussed at some length, and it is not my purpose now to take the time of this body to discuss them further; but I do desire to discuss certain phases of the bill from a general viewpoint as to its

soundness and also as it may affect my section and other sections of the country not included for direct benefits in the bill.

Mr. President, the farmers of this Nation during its early days, with agriculture as a foundation industry, were absolutely independent and self-sustaining. For a great many years we proceeded along that line and in that direction; but gradually, from time to time, the Government of the United States stepped into the picture. Probably one of the most constructive steps taken was in 1914 when agricultural extension work was inaugurated. We recognized the desirability of bringing to the farmer on the farm, through the vehicle of the agricultural extension work through the county agricultural agents, more scientific and up-to-date information as to the management of his farm.

Then we recognized that the farm woman, the farm wife, had her problems. So, through that same service, we created home demonstration work; and the home demonstration agent brought to the farm women in their homes information as to easier and better methods.

Then we recognized that this country could not be sound unless we built the proper citizenship for tomorrow. So we started the boys' and girls' 4-H club work. I know of this work because, for a time, I served as a county agricultural agent; I have also served as a State agricultural extension specialist, and I know the value of agricultural extension work. It was liberal.

Then we recognized that cooperative marketing was a step in the right direction, and the Government attempted, by the enactment of certain legislation, to assist the farmers along cooperative marketing lines, the theory in mind being that they were entitled to a larger percentage of the consumer dollar, and that there was too great a "spread" between the farmer and the consumer. That was also a step in the right direction, liberal and forward-looking.

Then, followed some experiments, including the Farm Board, and so on, which did not work out as planned.

Then, we created certain credit aid for farmers through the medium of farm loans extended by various farm credit organizations of the Government. That was a sound help, a progressive move.

Then, we came to what was known as the A. A. A., which was subsequently declared to be unconstitutional. All members of this body are familiar with that law. They know what its objectives were; they know of certain advantages which it afforded, and they know many serious objections to it.

Then came the Soil Conservation Act, which also was correct in principle and liberal in character, being an attempt to aid the farmers through the conservation of soil fertility and the building up of our farms.

At the last regular session of the Congress—I think, upon the recommendation of the President of the United States—there was passed by the Senate a crop-insurance bill, which took wheat for an example, singling out that commodity in an effort to work out in practice the principle and theory of crop insurance. That was a sound step. One question I should like to raise at this time is why that bill, having such fine objectives and having the backing of bipartisan support in this body, has been allowed to fall by the wayside. The problem of insurance for farms and farmers has long been promptly and ably met by mutual farm insurance companies throughout the country. Steps have been taken in the direction of crop insurance, but it is too big a problem for a mutual company or a private enterprise to handle with success. So it was very logical for the Government to proceed in that direction.

Mr. President, through our soil-conservation program, which was enacted following the A. A. A. set-up, and through the crop-insurance program embodied in a bill which passed this body but has, as I have said, fallen by the wayside, we were proceeding along sound lines.

I realize that the sponsors of the pending bill are men of character, men of forward-looking vision, who want to lend assistance to the farmers of the country.

My general impressions of this particular bill are, first, that it is unsound in many of its features, and, second, that it shows rank discrimination against certain phases of the agricultural industry in certain sections of the country. One thing that impresses me in the conduct of the business of this body and of the other House of the American Congress is that oftentimes we forget that there are 48 States in the Union. The pending bill proposes to extend aid to only a comparatively small portion of the United States. Let us remember that we have a North and a South, an East and a West, and that, besides the farmers who produce rice, cotton, wheat, corn, and tobacco, and so on, there are farmers in this country who are producing wealth, who have gained a livelihood from what they have produced from the soil on the farm, who are untouched by the principal objectives of this bill. I believe that a sound farm program should include agriculture as a whole.

Under the A. A. A. and under the reciprocal-trade-agreement program, put into effect by the present administration, we have lost a large part of our foreign markets for agricultural commodities. In my judgment, this bill, as now constituted, would probably result in the loss, at least to a partial extent, of the remainder of those foreign markets.

We should remember, when we talk about crop reduction or curtailment, that nature has something to do with it, the action of the sun and the moon, the grasshoppers and boll weevils all play a part. In other words, it is God Almighty who has more to do with the surpluses or poor crops rather than the gentleman who occupies the White House or the men who enact laws in this and the other body of Congress.

In my particular section of the country, as well as in other sections, the dairy industry is of prime importance. That industry is certainly one of our major agricultural industries, if not the major individual agricultural industry, in the production of actual wealth in the Nation. What happens to that industry under this bill? The dairy farmer of this country is excluded from the direct provisions of the measure. Assume that I am a dairy farmer and I live in Wisconsin, or I live in the State of New Hampshire; the first thing this bill will do to me will be to exclude my dairy products, which are my primary source of income and of livelihood for myself and my family, from direct participation as one of the major industries of agriculture. Secondly, the dairy industry or the dairy farmer in New Hampshire feeds grain, and, therefore, the price of grain will—or, at least, I assume it is the hope of the sponsors of this bill that it will—advance. Therefore, the dairy farmer will have to pay more for the intermediate product which he uses to produce his ultimate product for sale.

Then, as a consumer, if we have processing taxes in any form to support and finance this bill, he pays his particular share. Furthermore, unless we give him some protection in this bill, the acres that we take out of production by curtailing certain crops may be used to produce foodstuffs and may be devoted to the production of dairy products in direct competition with the man who is depending upon that industry for his sole livelihood and who receives no direct benefit under the bill. A distinguished Member of the House of Representatives from Wisconsin submitted minority views on the House bill in which, and in various speeches in the House and interviews in the newspapers, he has covered that phase of the situation particularly well. I commend his remarks and his views to the attention of the Senate.

I should like to see any farm bill which may be enacted include what is for the welfare of the farmers of all the various 48 States. I should dislike to see it discriminate against certain phases of agriculture.

Mr. President, we are in a period of business depression. Theodore Roosevelt once said:

This country cannot long be a good place for all of us to live unless it is a good place for all of us to live.

If we take that statement as sort of a challenge or objective, we can see we are rapidly approaching the point where Congress must do something, must take some affirm-

ative action, in order that the words of that great American may be carried out in practice as well as by lip service.

Let us look at the background of the last depression. The depression started following the World War. It was the result of certain dislocations which came about because of the great world-wide strife and as a result of the great post-war expansion. When the depression broke upon the Nation as a whole, the world at large was not in a prosperous condition. For a while we proceeded with our heads above the other nations, but finally we were dragged down into the depression which they had shared for some years previously. Today we are in a business recession. It may be the beginning of a major depression or it may be a minor depression. We fail yet to know the answer. The answer, at least to a large degree, rests with the Members of Congress and with the President. The President of the United States, in remarks made to the country a year or so ago, when we were enjoying a period of apparent prosperity, took all the credit for the prosperous condition of the Nation and said in substance, "We planned it that way." This depression, if it is a depression—and it is certainly a striking business recession—is Government made, and therefore it can be corrected by action of the Government.

How serious is this recession and what is the cause of it? It is not because we fail to have regulation enough, because we have more regulation in the country today than at any other time in the history of the Nation. We have the Securities Exchange Commission, which has power over the stock markets, a power which the Government never had before. We have governmental regulation of and competition with public utilities. We have railroads ruled by the Interstate Commerce Commission. We have industry and labor now bowing before the National Labor Relations Board. We have tax measures, such as the undistributed-profits tax and the capital-gains tax. We have on the statute books such things as the Thomas amendment, which allows the President to issue some \$3,000,000,000 of greenbacks.

The President of the United States has called or caused to be called certain definite conferences looking to a better relationship between business and government. To date those conferences, in my judgment, have been mere gestures. Something definite and positive has to be done, and ought to be done now. The other day I talked to a Member of Congress who said, "This is caused by Wall Street. Wall Street has the jitters." Wall Street may have the jitters, but Main Street in every community of any size in the country has the jitters today, and the side streets have the jitters as well. That holds true in the States of every Senator in this body. We must put our house in order and we must do it now. Lip service such as has been given in this body is not enough.

The American people look to Congress to lead the way. We cannot afford to continue twiddling our thumbs. The old story of Nero fiddling while Rome burned can well be applied here. We are in a real business recession. We have seen \$28,000,000,000 to \$30,000,000,000 in security values wiped out in a few weeks. We have seen steel production reduced to the point where it is running at only 31 or 32 percent capacity. I know of a great industrial corporation in the country which in the month of May was receiving orders that would allow it to operate at 99 percent capacity. That corporation is receiving orders today on the basis of 17 percent of capacity. From May to December, based upon orders, the capacity of one of the great industrial corporations of the country has been decreased from 99 percent to 17 percent. Yet we sit here and say we will not grant relief or aid to business until the regular session.

Mr. President, I am interested in antilynching legislation and I am interested in farm legislation, as most of us are, one way or the other, but more important and more fundamental for action at the immediate time is correction of the present business situation in which we find ourselves. What can we do?

First, we can immediately repeal the corporate surplus tax. Second, we can amend the capital-gains tax. Third, we can repeal the inflationary A. A. A.-Thomas amendment, allowing the President to issue \$3,000,000,000 of greenbacks. In the regular session beginning next month we should proceed to make a genuine effort to balance the Budget. We should make a definite attempt to take the Government out of business. We should endeavor to equalize the Wagner Labor Relations Act and give equal rights to employers and stop discriminating against some classes of labor organizations.

In discussing the present situation we must remember that corporations pay income taxes of from 8 to 15 percent; that our corporate surplus tax runs from 7 to 27 percent and applies to surplus earnings not distributed in the form of dividends. It is necessary for any corporation to have a substantial reserve. It is not only necessary, but desirable. Why? It is necessary so that in periods of stormy weather they may be able to carry themselves through and maintain their financial integrity and provide employment for their help.

What is the story of the last depression? From 1930 to 1933, inclusive, certain corporations in the country operated at an actual operating loss of between \$9,000,000,000 and \$10,000,000,000, but they kept their doors open, kept at least a part of their people employed, and the only reason on God's green earth why they were able to do so was because under the laws of the land they had been allowed to accumulate sufficient reserves to carry them through such periods of stress.

The corporate surplus tax is a direct threat to business success, to regularity of employment, and to the safety of any business. The corporate surplus tax is playing an important part today in the discouragement of expansion and business rehabilitation. If it were not for the corporate surplus tax today we would find the situation very different than we have it at present.

The corporate surplus tax is especially hard on the new corporation and upon the weak corporation. It is unjust upon any corporation, but it has a particularly ill effect upon the small, the weak, and the new. We have an old saying that we like to plow back part of our earnings in order to enable us to carry out expansion and improvement. When the Government takes away the possibility of doing that, it takes away from business the ability to expand or improve in any degree.

To show what has happened to business, I will take a summary of the industrial stock averages, the domestic bond averages, all-commodity index, farm-products index, industrial activity index, and the national debt, less Treasury cash, as an index. It will be found that this country reached its peak in this recovery since the last depression on February 11, 1937. At that time the industrial stock average was 190.29; the domestic bond average was 104.56; the index of all commodities was 85.6; the farm-products index was 91.6; the industrial activity index was 102.4; and the national debt, less Treasury cash, was approximately \$32,776,000,000.

What was happening about this time? The General Motors Corporation was negotiating with the C. I. O. as a result of the problems it had faced in the sit-down strike situation. A short time afterward Members of this body ran to cover and defeated the so-called Byrnes amendment to the Guffey coal bill, which would have outlawed sit-down strikes.

Let us trace the picture down over the weeks and months that followed, and it will be seen, in connection with particular drops along all lines, that some particular thing occurred on that date, or in the neighborhood of that time, which caused further recessions.

It is interesting to note, too, certain advances in this period, which came at very significant times. For example, one time when we saw a general move for the better was the time of the abandonment of the Supreme Court fight in this body. We see things like active fighting between the Japanese and the Chinese having a real influence. The Treasury position, the Federal Reserve banks' position, and Government crop reports all play a part.

These lines traced along until on November 2, 1937, the industrial stock average, from a high of 190.29 on February 11, 1937, had receded to 114.19; the domestic bond average had declined in that period from 104.56 to 92.03; the all-commodities index had declined from 85.6 to 82.9; the farm products index had declined from 91.6 to 75.9; the industrial activity average had declined from 102.4 to 88.9; and the national debt had been increased from \$32,776,000,000, less Treasury cash, to about \$35,000,000,000 net debt, or some \$37,000,000,000 as a total debt.

I have given the picture of the decline all along the line. In order that these things may be measured, I will say that the security prices are taken from the Dow-Jones Co. averages for 30 industrial stocks and 40 domestic corporation bonds. The all-commodities average was taken on 784 miscellaneous items, and the farm products average on 67 items. These last were compiled by Government departments. These figures are taken from authentic sources, and they very clearly indicate the movement which we have recently been through.

Congress must realize that industry is not owned by a handful of men. It is not owned by a large group of men, but it belongs to the American people as a whole. The shares of our corporations are held by millions of our citizens. Prosperous industry means more employment, and poor industry means unemployment. Do not let anybody fool you. We have unemployment today. It is increasing hourly; and by the time we come back to this body after the recess for our Christmas vacations, we shall perhaps be more fully aware than we are today of the seriousness of this situation. We have seen too great an amount of lip service around here, and not enough actual steps to do something. If we are big enough as a group to realize this situation and take some action, the country may regain confidence; but the longer this body and its associate body refrain from action the worse the situation is going to grow.

We have only to make inquiries from our friends out and about the Nation to realize the true situation. When we have shops and stores in the cities of this Nation a few weeks before Christmas that are running mark-down sales, it is a pretty good symptom of the troubles in which we find ourselves.

Some of us here in this body, and many people throughout the country, fail to appreciate how they are effected by this situation. Let me tell you that whether you run a farm producing corn in Iowa, or whether you run a farm producing wheat in North Dakota, or whether you produce oranges in California, or apples in Oregon, or potatoes in Maine, or dairy products in Wisconsin, or whether you run a hunting lodge in Maine or a tourist hotel in Florida, or whether you are a person, we will say for example, living on savings, perhaps from very modest investments, regardless of your condition in life, regardless of your profession or business, you are concerned with the condition in which we find ourselves today.

Let us take for just a minute the position of England. What has happened in England?

In England, the Government long ago learned its lesson. In England the Government works with industry to produce profits; and when the industries have actually produced profits, they share those profits with the Government. They do not have a corporate surplus tax to penalize industry, but they do say that industry and Government are jointly interested in progress. The Government in effect says, "Go ahead and make profits; employ labor; provide employment; and when you make a net profit we will share with you a reasonable amount of the profit you make." Those profits go to support government. That theory is right, and that is the spirit we need to see in this Nation in order to bring about a change.

At the end of the last war we had a national debt of \$26,000,000,000. During the period from 1920 on we reduced that debt some \$10,000,000,000; and I may say for your informa-

tion that it was during Republican administrations in Washington that that reduction took place. We reduced the national debt to \$16,000,000,000. Today we have a national debt standing at some \$37,000,000,000, and we have made no real attempt to balance our Budget. It can be done. Certainly we can make a genuine attempt to do it. We cannot keep on the way we are going. We need some action now. We need action along three lines to restore the confidence of the people of this Nation; and if you, as Members of this body, and you, as administrative leaders, fail to take action, and take action now, upon your shoulders, and your shoulders alone, will rest the responsibility for the further serious condition in which this country may be involved.

Remember that the country cannot stand still. It is either going forward or going backward; and at present it is going backward very rapidly. We are in the beginning of a tailspin, and it is going to be a serious tailspin before we are through unless we take some action.

Mr. President, I have attempted today to give some of my general objections to the farm bill now pending because of certain features of it which I regard as unsound, because of certain features which very clearly discriminate against the farmers of my section, the farmers of my State, and the farmers of over half the States in the American Union. I believe that it is not progressive, that it is not forward looking, nor is it fair or just to proceed with any general farm program unless we recognize that there are 48 States in the Union and that there are many phases of agriculture and of the agricultural industry which should all be included in order to avoid the unsoundness and the discrimination which we find in the pending bill.

Further, I believe that there is a serious situation in the Nation today, but many persons in Washington are wandering around with their heads above the clouds, or, like ostriches, with their heads buried in the sand. Many administration leaders have given lip service in this body and in our associate body, but that is all. The time has come for action.

Mr. President, I wish to be on record as saying, first, that the country is in a serious condition; second, that the condition is rapidly growing worse, and unless there is action, and action now, a critical situation will confront the Nation. It is upon the shoulders of the President, upon the shoulders of the administrative leaders, and upon the shoulders of the Members of the Congress who refuse to take immediate action, that the responsibility will rest.

A method is at hand. Revenue measures cannot be introduced in the Senate. However, a revenue measure is now on our calendar, House bill 6215, a bill relative to publicity of income-tax returns. I have introduced in the Senate a bill providing for the repeal of the corporation surplus tax, proposals have been and will be submitted to amend the capital-gains tax. I have introduced a bill to repeal the President's power to issue \$3,000,000,000 in greenbacks. Action on all these measures will contribute to the confidence of industry and confidence of the American people.

Let us not forget that not merely is business in Wall Street jittery over business receding among the great industries, but the people of the country in every small town and in every city in this great Nation are jittery, and small industries and small business are feeling the effects. I predict that if Congress fails to take action, and to take action now, when we return from our Christmas vacations, after seeing the conditions in various parts of the Nation, there will be a demand on the part of Members of the Congress for action. But it may be too late. The administration leaders cannot continue to dodge the issue.

The PRESIDING OFFICER. The question is on agreeing to the first amendment of the Committee on Agriculture and Forestry, on page 1.

Mr. McNARY obtained the floor.

Mr. BARKLEY. Mr. President, I think we should have a quorum, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pepper
Ashurst	Davis	La Follette	Pittman
Austin	Donahey	Lee	Pope
Bailey	Duffy	Lodge	Radcliffe
Bankhead	Ellender	Logan	Russell
Barkley	Frazier	Louderman	Schwartz
Berry	George	Lundeen	Schwellenbach
Bilbo	Gerry	McAdoo	Sheppard
Borah	Gibson	McCarran	Shipstead
Bridges	Gillette	McGill	Smathers
Brown, Mich.	Glass	McKellar	Smith
Brown, N. H.	Graves	McNary	Thomas, Okla.
Bulkeley	Green	Maloney	Thomas, Utah
Bulow	Guffey	Miller	Townsend
Burke	Hale	Minton	Truman
Byrd	Harrison	Moore	Tydings
Brynes	Hatch	Murray	Vandenberg
Capper	Hayden	Neely	Van Nuys
Caraway	Herring	Norris	Wagner
Chavez	Hitchcock	Nye	Walsh
Clark	Johnson, Calif.	O'Mahoney	Wheeler
Connally	Johnson, Colo.	Overton	White

The PRESIDING OFFICER (Mr. McKellar in the chair). Eighty-eight Senators having answered to their names, a quorum is present.

Mr. DUFFY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Wisconsin?

Mr. McNARY. I yield.

Mr. DUFFY. I desire to present at this time two amendments with reference to the protection of the dairy interests. These amendments were prepared prior to the time the Senator from Oregon presented his amendment having the same object. I shall therefore not press for action on my amendments, but I should like to have them printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendments will be received, printed, and lie on the table.

Mr. McNARY. Mr. President, the Honorable Peter Zimmerman, an outstanding citizen and successful farmer of Oregon, representing the State Grange and the Farmers' Union, under date of October 19, 1937, wrote a letter to the chairman of the Committee on Agriculture and Forestry of the Senate, the Senator from South Carolina [Mr. SMITH], in opposition to the pending bill. The document is extremely interesting and presents a complete analysis of the bill. It has been suggested that it be read, and I ask unanimous consent that it may now be read at the desk.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will read.

The Chief Clerk read as follows:

OCTOBER 19, 1937.

To the Honorable ELLISON D. SMITH,
Chairman, United States Senate Committee
on Agriculture, Washington, D. C.

Re Senate bill 2787 (Pope-McGill bill).

DEAR SIR: Having appeared before your subcommittee in the public hearings held recently at Spokane, Wash., I am requested to supplement my testimony, written and oral, with a brief setting forth the objections of the Oregon Grange, Farmers' Union, and farmers generally of Oregon to the enactment of the bill under consideration. Those objections, briefly, are as follows:

We oppose the enactment of S. 2787 on the following grounds:
I. That the statement of policy is incomplete, unsatisfactory, and not consistent with the fundamental wishes and demands of the American farmer for the following reasons:

- (a) Fails to provide for guaranty of average cost of production of agricultural commodities.
- (b) Fails to provide for protection of American markets to American farmers.
- (c) Fails to provide for refinancing of farm-mortgage indebtedness on long-term, low-interest credits comparable to credit provisions in behalf of other major industries.
- (d) Fails to provide for crop insurance against major losses.
- (e) Fails to provide for practical administration by successful farmers democratically selected.
- (f) Fails to provide for or protect the family-size farm.

II. Purported cooperative feature is unconstitutional for the following reasons:

- (1) Forces each farmer to become an involuntary "cooperator."
- (2) Denies the farmer the right to resort to the courts in seeking protection against unfair and discriminatory administration, or policies determined by persons other than practical, successful farmers, democratically selected.

(3) Removes last vestige of privacy in providing for Federal access, even to all of the farmers' correspondence.

(4) Makes penal offense for anyone to give away or exchange or receive any products. Even to give to, or receive from, an immediate family relative, to alleviate actual want, constitutes a serious penal offense.

(5) Delegates legislative authority, by "proclamation," as to quota's loans, benefits, etc.

III. Referendum vote, as provided in subsection "C," page 18, is unsatisfactory for the following reasons:

- (a) Regimentation of agriculture.
- (b) Coercion in the "voting." Financial pressure is exerted by calling or canceling loans or other benefits. The referendum procedure will not fairly represent the actual wishes of the producers.

IV. Unfair agricultural practices: This provision penalizes farmers only, and fails to provide for penalty against market manipulators, speculators, and/or wholesalers who may commit an unfair agricultural practice which might affect interstate or foreign commerce.

V. Penalizes small intensified type of successful family farming, and rewards marginal and corporation farming.

In conclusion, the only safe, sane, and sensible solution of the age-old farm problem would be the enactment of the Thomas-Massingale "cost of production" bill—H. R. 1612—and the Frazier-Lemke Mortgage Refinancing Act, together with protection of the American market to the American farmers.

Respectfully submitted.

PETER ZIMMERMAN,
Representing Oregon State Grange and
Oregon Farmers' Union.

Mr. McNARY. Mr. President, the Chair announced a few moments ago that the first committee amendment is now before the Senate for consideration.

The PRESIDING OFFICER. It is.

Mr. McNARY. A few days ago during a colloquy between the Senator from Alabama [Mr. BANKHEAD]—whose attention I should like to have—and myself—

Mr. BANKHEAD. Mr. President, my attention was distracted for a moment. Did the Senator from Oregon address a remark to me?

Mr. McNARY. I was just about to make a remark that somewhat concerns the Senator. A few days ago the Senator said during a colloquy we had that the bill as applied to cotton did not contemplate parity prices.

Mr. BANKHEAD. Mr. President, I do not think I said that. It contemplated them at some time, but it certainly does not contemplate them without more taxes, without more money. It is impossible for either cotton, corn, or wheat to obtain parity prices without more money unless, of course, hereafter the prices go up to a point where there is not a very wide spread between prices and parity.

Mr. McNARY. I think that is a fair statement. However, I think my observation is literally true so far as the RECORD is concerned. Probably there is not enough difference to cause any dispute. The Senator did say even yesterday in a colloquy which we had that he did not expect parity payments because it would cost too much money.

Mr. BANKHEAD. I said in substance that it is not expected now.

Mr. McNARY. I stated that the bill contemplates in its language parity payments.

Mr. BANKHEAD. Ultimately; yes.

Mr. McNARY. No, Mr. President. We have reached that point now. In the section we have before us I read:

SEC. 2. It is hereby declared to be the policy of Congress to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice to the extent necessary to provide such adequate and balanced flow of such commodities—

Meaning cotton, among others—

as will, first, maintain both parity prices paid to farmers for such commodities—

Including cotton—

marketed by them for domestic consumption and export and parity of income for farmers marketing such commodities—

Meaning, among others, cotton.

Mr. President, with this very amendment before us, there is a declaration that there must be a parity of prices to cotton farmers and parity of income to farmers. Let us see

if that is not reinforced by another provision of the bill. I ask the Senator to follow me to page 10, section 6:

Sec. 6. (a) Promptly following the close of each marketing year for cotton, wheat, or corn, the Secretary shall make parity payments to farmers engaged in the production of such commodity for market during such marketing year.

Mr. President, if we look at page 66 of the bill we find that the marketing year for cotton begins August 1. So we have in section 6, on page 10, a declaration affirmative in nature that the Secretary must at the beginning of the marketing year, which is August 1 of each year, make parity payments to the cotton farmer.

Mr. BANKHEAD. The Senator includes wheat and corn, too, does he not?

Mr. McNARY. Yes. But we were discussing cotton, as I stated a moment ago.

Mr. BANKHEAD. I hope the Senator will not leave the impression—I know he does not intend to—that this provision contains some special benefit for cotton.

Mr. McNARY. No. Of course, I read the five commodities—cotton, corn, wheat, tobacco, and rice. When I reached the word "commodities" I said "among which is cotton," in order to speak as briefly and employ as few words as necessary.

Mr. BANKHEAD. I simply could not hear the Senator; that is all.

Mr. McNARY. Very well. Mr. President, the very amendment which is now before the Senate contemplates parity payments for cotton, irrespective of what the Senator from Alabama may wish or expect. On page 10, in section 6, the Secretary is directed affirmatively to make parity payments to producers of cotton, wheat, and corn at the beginning of the marketing year, which, applied to wheat, is June 1, and which, applied to cotton, is August 1.

Mr. POPE. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. POPE. The Senator, of course, is familiar with the provision on page 80:

(f) Notwithstanding any other provision of this act, if the aggregate parity payments payable under schedule A of title I of this act for any marketing year are estimated by the Secretary to exceed the sum appropriated for such payments for such year, all such payments shall be reduced pro rata that the estimated aggregate amount of such payments shall not exceed the funds available for such payments.

Mr. McNARY. Oh, yes, Mr. President. That is the sliding scale that is provided in regard to parity payments. I am not interested in that. I want to know whether the bill as written, or the declaration as made by the very able Senator from Alabama is going to prevail. The bill requires the Secretary to make these parity payments whether he wants to or not. Under the bill as written he has no other recourse. The Senator says that if the cotton growers of the country receive parity payments, it will cost the Government between \$300,000,000 and \$400,000,000. The question naturally arises to me, as I view this amendment and desire to cast an intelligent vote upon it, Are we going to have language in the bill that requires the Secretary to make the parity payments for cotton? If we do, we are running into a veto by the President, if I can depend upon the estimate of the Senator from Alabama, who says it will cost the Government between \$300,000,000 and \$400,000,000.

I appeal to the able Senator to help me in this dilemma. Shall we adopt the first committee amendment and the language contained in subdivision 6 on page 10, first, however, removing parity payments and the mandatory language directing the Secretary to make them at the beginning of the marketing year, which is August 1; or shall we leave that language in the bill with the knowledge that it will cost more than the Secretary can raise and will invite the veto of the President? I submit that inquiry to my very good friend, the able Senator from Alabama. What shall we do at this time?

Mr. BANKHEAD. Mr. President, the Senator, I assume, construes the language to mean the payment of parity prices in full. I do not so construe it. If I did, and there were not

other provisions in the bill otherwise limiting it, I think the Senator would be right. But I am opposed to any legal or moral obligation beyond the amount of money available. I do not want the farmers to be misled as to what they may expect. What I construe this to mean is the making of payments on the parity price so far as the money available will go toward bringing about parity.

Mr. McNARY. Is the Senator willing now to offer an amendment providing that parity payments shall be made if there are funds available for that purpose?

Mr. BANKHEAD. I think that is already in the bill.

Mr. POPE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. McNARY. I yield.

Mr. POPE. The provision I just called to the Senator's attention was carefully considered by the committee; it was designed to accomplish that very object, and I think does accomplish it. In other words, the parity payments will be made to the extent that there are funds available. The words "pro rata" are used in that connection, and that was the very purpose of the amendment after considerable discussion in the Agricultural Committee. It did not occur to me in reading the subsection at the bottom of page 80 that it would not accomplish the purpose, and I am wondering that there is any doubt in the Senator's mind that it does accomplish the purpose.

Mr. McNARY. I do not think it does at all. I think we have to deal with the bill as it is. We find in the policy-making portion of the bill a section which is directed to the Secretary of Agriculture.

I am not going to ask for an amendment; I am merely pointing out what I call an extreme inconsistency and contradictory statements which, according to the statement of the able Senator from Alabama, would necessarily invite a veto by the President if the bill should remain in its present form.

Mr. ADAMS and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. McNARY. I yield first to the Senator from Colorado, who, I think, rose first.

Mr. ADAMS. As just one member of the Committee on Appropriations, I should like to inquire what obligation is going to rest upon the Appropriations Committee in providing appropriations under this proposed act? The committee, legally, have certain rights; there are certain moral obligations put upon us by authorization and direction. I am merely asking for guidance, as one member of the Appropriations Committee, and I should like to know what the proponents of the bill feel the Appropriations Committee should do and what the Senator from Oregon may think we would be compelled to do.

Mr. McNARY. Inasmuch as I have the floor at this time, I shall be delighted to give my views on the subject. I assume from the language used that we will continue the soil-conservation program, and I want that program continued. If I had my way, we would continue that program, and we would have nothing to do with this bill at this time. I do not think it is the time to write a permanent agricultural bill. If my assumption is correct, there is \$500,000,000 that the Senate and House Appropriations Committee must meet. I think this bill carries an additional \$100,000,000 to supply capital for the Surplus Reserve Loan Corporation, provided for in title 7, on page 84; and I desire to discuss, at the proper time, the general make-up of that very unique and unusual organization. But on page 86 I find section 72, which reads in part:

The corporation shall have a capital stock of \$100,000,000, subscribed by the United States of America, which sum is hereby authorized to be appropriated.

I think that is a direction to the committee to provide for the appropriation of \$100,000,000 to the capital stock of this corporation.

The bill also provides, treating the same general subject, that the corporation may issue bonds and debentures to the extent of five times its capital stock, which makes \$500,000,000. So the Congress must find \$100,000,000 for the capital stock of this corporation; and it must also find \$500,000,000 for the soil-conservation program.

Now let us see what the wheat program under this bill will cost. A few days ago I asked the Secretary of Agriculture to give me, through his experts, estimates as to the probable cost on the basis of parity prices. In this connection we meet the same thing that I pointed out a few moments ago. To obtain parity prices on 660,000,000 bushels for 1937 would cost \$200,000,000. That is on the basis of 660,000,000 bushels, which is the amount ordinarily domestically consumed by the country. However, the Department of Agriculture, through the experts of the Secretary of Agriculture, have stated publicly that they expect a billion bushel yield this year. The estimate I have given is based on a yield of 660,000,000 bushels. If the same ratio should prevail, \$300,000,000 would have to be paid in the form of parity payments on wheat.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield to me?

Mr. McNARY. I am very glad to yield to the Senator from Washington.

Mr. SCHWELLENBACH. Upon what basis of price were the figures made?

Mr. McNARY. They are based upon the parity payments provided in schedule A on the futures that are now being sold for May and December delivery of next year. It is slightly speculative, of course, but what other answer could be made?

Mr. SCHWELLENBACH. I was merely inquiring.

Mr. McNARY. Wheat may be \$1 today; the future price for May delivery may be \$1.10, and for December, which is the next date—while there are intermediate dates those are the generally accepted dates—it may be \$1.15. Of course, the price may be different when the actual time arrives, but that is the basis I think used by the marketing experts of the Department of Agriculture year in and year out; and so I assume that the estimate is just as reliable as any that could possibly be made.

Mr. SCHWELLENBACH. I am in no way critical of the estimate. All I wanted to know was if the Senator could tell me what price was used in the figuring.

Mr. McNARY. I am sorry the price is not given, but the estimate is based upon the usual fundamental keystones which are employed in matters of this kind. If I had the price figure, I would be very glad, indeed, to give it to the Senator.

Now, it will be observed that under schedule A, on page 21, parity payments increase as the volume of the crop becomes more abundant. That is found in column 2, on page 21. If I understand the interpretation of these payments under schedule A, if the supply of wheat should be 100 percent of normal, the parity payment rate would be 15 percent, and if the normal supply should run up to 114 percent or more the parity payment rate would be 30 percent. So if the crop went to a billion bushels, the payment would run up correspondingly. Naturally the greater the difference between the parity price and the current price on a given date, the greater the spread would be, because the volume would likely bring down the price level of the commodity.

Mr. President, I have stated, first, there would be \$500,000,000 for soil conservation, \$100,000,000 for capital stock of the organization provided for by the bill, \$300,000,000 for parity prices on wheat, and from three to four hundred million dollars for parity prices on cotton. So, if the bill shall remain in its present form, the cost would be \$500,000,000, plus \$100,000,000, making \$600,000,000, and \$300,000,000 more, making \$900,000,000, plus \$300,000,000 more, which would equal \$1,200,000,000.

I have not included the cost of the provisions relating to rice and tobacco. The Secretary said yesterday that if we should continue to pay the 3 cents on tobacco it will cost \$274,000,000 in addition. I am not subscribing to these fig-

ures, but they are just as good as any, and they far exceed our ability to pay.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. SCHWELLENBACH. Is not the Senator duplicating the \$500,000,000 soil-conservation figure? In other words, under the bill the farmers take parity payments in lieu of soil-conservation payments, unless the soil-conservation payments should be higher.

Mr. McNARY. Not at all in the case of those who sign adjustment contracts. When dealing with a noncooperator, they are denied the benefits under this bill, but when a farmer signs an adjustment contract, which he must do if 51 percent of the farmers say so, he gets the soil conservation payment in addition to the parity payment and loans from the reserve loan corporation.

Mr. POPE. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. POPE. I am surprised at the statement the Senator just made because there are specific provisions in the bill that parity payments shall be in lieu of soil-conservation payments which have been made on the commodity.

Further, though the Senator may not have been advised of it, there is a provision in the bill, an amendment approved by the Committee on Agriculture and Forestry, which divides up any money appropriated under the Soil Conservation Act in the proportion of 55 percent for the maintenance of parity payments and 45 percent to carry on the soil-conservation payments on all other commodities than corn, wheat, and cotton.

The Senator's calculation, which involves full payment of \$500,000,000, assuming that parity payments shall be made on corn, wheat, cotton, and all other commodities, and in addition to that, calculating payments on parity, I think is not justified by the bill. I think all members of the Committee on Agriculture and Forestry who were present and joined in adopting the amendments will agree with me.

Mr. McNARY. Mr. President, the very astute Senator from Idaho knows what is in the bill and what he has put in it. There are so many things in the bill of a contradictory nature that I am not able to combat that contradiction. I really hesitate to deny anything he may say is in the bill.

Mr. POPE. I shall be glad to—

Mr. McNARY. But let me continue my answer. I have in mind section 3, subparagraph (b) which provides that "under adjustment contracts there shall be made available to contracting farmers"—not to the poor fellows who refuse to get under the umbrella, but want to remain independent—what?

First, Soil Conservation Act payments hereinafter specified; second, surplus reserve loans; and, third, parity payments.

That means something. There maybe somewhere else in the bill something that says they cannot have them. I should not be surprised to find something of the kind in the bill. Probably the Senator can point out some provision to indicate that what I have said is not so, because the bill was thrown together late one Sunday night by a minority membership of the committee. I have no objection to that. I was not available at that time, it being Sunday. It may be the Senator from Idaho is correct that somewhere in the bill is language indicating that what I have read is not so, but I am assuming that what I have read is so.

Coming back to the thought I have in mind, under the language used, in section 2, the pending amendment, we are establishing the policy of Congress. This is saying what is in the minds of the Members of the Senate and the House. If it is our intention to make parity payments let us make them. If it is not our intention to make parity payments because there is not enough money in the Treasury, let us strike that provision out of the bill and not deceive the farmer.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McNARY. Certainly.

Mr. NORRIS. The Senator made the assertion that final action on the bill was by a minority of the committee. I think that is a mistake. As I understand, there are 19 members of the committee. There were 10 members present and 11 votes cast in favor of reporting the bill, because 1 member present voted a member who was not present.

Mr. BANKHEAD. That member was there all day long.

Mr. NORRIS. Yes. There were 11 members present at 15 minutes to 12 midnight Sunday night when the vote was taken.

Mr. BANKHEAD. The eleventh member had been there until a short time before the final vote.

Mr. McNARY. I retract. I apologize. I am sorry. If 11 of the 19 members of the committee were there Sunday night at midnight, my heart goes out to them.

Mr. POPE. Mr. President, will the Senator yield further?

Mr. McNARY. Certainly.

Mr. POPE. I desire to call attention to the amendment which was made by the committee and to which I referred a moment ago, and of which the Senator apparently is not aware.

Mr. McNARY. Probably I am not.

Mr. POPE. He was kind enough to say it might be in the bill, however. At the bottom of page 78, under the title of "appropriations", I find this provision:

There is hereby made available for parity payments with respect to cotton, wheat, and field corn under this act for any year commencing on or after July 1, 1938, 55 percent of all sums appropriated for the purposes of sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, for such year.

That is the point I tried to make. Fifty-five percent of the soil-conservation fund each year would be used for making parity payments. That means 45 percent of that amount would be used for soil-conservation payments, which I think very clearly indicates the Senator was duplicating his figures a few moments ago when he was figuring \$500,000,000 for soil-conservation payments and some other millions for parity payments.

Mr. McNARY. Mr. President, I am again confused. When this bill was sent out among the farmers and hearings had, I observed language stricken out carried \$400,000,000 in line 17 of that section. The language to which my attention is called was an amendment, also probably inserted late Sunday night. At any rate, I do not give to the language the interpretation which the Senator from Idaho gives. The language is:

There is hereby made available for parity payments with respect to cotton, wheat, or field corn under this act for any year commencing on or before July 1, 1938, 55 percent of all sums appropriated for the purposes of sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, for such year.

That means taking out of that act, carrying an appropriation of \$500,000,000, 55 percent to pay what? To make parity payments—not conservation payments, but parity payments—to cotton, wheat and field corn. The bill merely goes over into a standing appropriation and makes 55 percent of it available for parity payments. Everyone knows that we are going to carry out the Soil Conservation Act providing \$500,000,000, and this is simply taking part of it out for parity payments. The whole amount will be appropriated by the Congress because that is the existing statute. That is not an answer whatsoever to what I have said.

Mr. BARKLEY. Mr. President, will the Senator from Oregon yield?

Mr. McNARY. Certainly.

Mr. BARKLEY. Was not the 55-percent allotment out of the \$500,000,000 placed here under the assumption that wherever parity payments were accepted they would be in lieu of soil-conservation payments, and that the proportion would be about 55 to 45? The Senator cannot assume the 55 percent would be paid in parity payments and the full \$500,000,000 in soil-conservation payments, because otherwise he would assume there is to be complete duplication of those payments.

Mr. McNARY. There is no duplication at all. The language is perfectly clear. I have thought it might be confounding and confusing and contradictory, but it is not. We

have for the first time run into simple language. It simply means that of this sum appropriated by Congress, and which must be appropriated until the statute is repealed, 55 percent shall go to make parity payments. That is what that language means. It has no reference to the program of soil conservation. That must be met by the Congress under a full appropriation. That theory has never been questioned. In all the discussion on the floor we have gone on the assumption, as we probably should, that that appropriation is for soil-conservation payments.

Mr. POPE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. McNARY. Certainly.

Mr. POPE. This is the first time I had heard that interpretation placed upon it. I did not know there was any question about it. Under the program, soil conservation will be carried on; diversion of acreage and soil-conservation practices will be carried on. They will be carried on under the program as to corn, wheat, and cotton. It was estimated by the representatives of the Department who were present that they are now actually paying, under the Soil Conservation Act, approximately 55 percent on corn, wheat, and cotton; and since we are taking corn, wheat, and cotton payments out from under the Soil Conservation Act and calling them parity payments, then that amount was transferred by this amendment over to the making of parity payments. The balance of the \$500,000,000, or 45 percent of that sum, will go to make soil-conservation payments on all the other crops throughout the country.

It never occurred to any of us who were considering the matter at the time that the appropriation for soil conservation in the future would be \$500,000,000 for soil conservation in addition to parity payments under this schedule. It can be clearly seen that corn, wheat, and cotton would come under the soil-conservation payments, which now amount to a considerable sum and would not in addition to that receive parity payments. Certainly that did not occur to me, and I think the Senator is mistaken in making that statement.

Mr. McNARY. Then the Senator—who probably prepared the amendment, and it was rushed into the bill late one evening—means to amend the Soil Conservation Act by taking more than one-half of the sum for parity payments under this bill, leaving about 45 percent for soil conservation?

Mr. POPE. On all other commodities than corn, wheat, and cotton.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Colorado?

Mr. McNARY. I do.

Mr. ADAMS. There is another inquiry which I might make from the standpoint of the Appropriations Committee.

The amendment which is being discussed, which was called to the attention of the Senator from Oregon by the Senator from Idaho, seems to divert money from appropriation bills which have not yet passed. I am simply wondering, as a matter of draftsmanship, whether the Senate can put in a bill an amendment which will divert to some purpose moneys not yet appropriated, regardless of what the Appropriations Committee may specify that the money is appropriated for.

Mr. McNARY. That is a very proper and pertinent inquiry, and it is addressed to a thing which cannot be done.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me for just a second?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Minnesota?

Mr. McNARY. I do.

Mr. SHIPSTEAD. I should like to ask the Senator from Idaho as to his interpretation of this part of the bill. From the debate I do not quite understand it.

Am I to understand the Senator from Idaho to interpret the bill in this manner: For soil conservation, for raising other crops than wheat, corn, rice, tobacco, and cotton, farm-

ers are to be paid for setting aside certain acreage. When they raise a crop which does not deplete their soil, they are to be paid benefit payments for that?

Mr. POPE. Yes.

Mr. SHIPSTEAD. The other crops are to be paid the parity price?

Mr. POPE. Yes; paid on parity.

Mr. SHIPSTEAD. Am I to understand that they are also to set aside acreage of soil-building payments?

Mr. POPE. Oh, yes. As I said a few minutes ago to the Senator from Oregon, the same program will be carried on with reference to corn, wheat, and cotton that has been carried on for the past year or two and will be carried on with reference to other crops; but in lieu of the soil-conservation payments made on corn, wheat, and cotton, they will receive parity payments.

Mr. SHIPSTEAD. But no payments for soil conservation or soil building?

Mr. POPE. I think I should say that payments on the commodities themselves will not be made. Certain small payments now being made for conservation practices will continue to be made on corn, wheat, and cotton acreage to corn, wheat, and cotton farmers; but those payments are small. The main payments which are now being made on commodities for diversion will be eliminated, and the parity payments provided in the schedule will take their place.

Mr. SHIPSTEAD. So the farmers will not be paid for soil conservation, for refraining from soil depletion; they will be paid on the basis of parity prices?

Mr. POPE. Yes. Let me call to the attention of the Senator the fact that the only reason why the amendment was made in that connection was this:

Formerly there were two types of soil-conservation payments, called class 1 and class 2. Class 1 payments were very much larger payments than were made for diversion from soil-depleting to soil-conserving crops. Class 2 payments were made for soil-conservation practices, improving the land, terracing, and that sort of thing.

Mr. SHIPSTEAD. Soil building?

Mr. POPE. Yes; soil building. Under this bill the class 1 payments will be eliminated, and the parity payments will take their place as to corn, wheat, and cotton; but the class 2 payments will remain, so that the corn, wheat, and cotton farmer will continue to get the small payments he has been receiving for conserving his soil. The parity payments merely take the place of the former class 1 soil-conservation payments.

Mr. SHIPSTEAD. The corn, cotton, and wheat farmer will get soil-conservation payments, then?

Mr. POPE. Yes.

Mr. SHIPSTEAD. He will get one payment as a parity price, and then he will get another one for soil conservation?

Mr. POPE. Yes.

Mr. SHIPSTEAD. And the man who does not raise any of those crops will get only one payment?

Mr. POPE. No; he will get two payments. He will get the class 1 payment and the class 2 payment under the Soil Conservation Act, and the corn, wheat, and cotton farmer will get parity payments and class 2 payments. In other words, they will get substantially the same payments as now, with no duplication.

Mr. BARKLEY. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. McNARY. I do.

Mr. BARKLEY. We are talking about an amendment on page 78, and we have not yet reached even the one on page 1. I want to see if I can help clear up this situation.

The Senator from Oregon seems to be worried about whether we can appropriate \$500,000,000 for soil conservation and then appropriate three or four hundred million dollars for something else, and says that when we add up all these appropriations we shall get up to about a billion and a quarter dollars. Is not this, however, the situation:

Let us assume that Congress appropriates \$500,000,000 for soil conservation, and assume that we make no appropriation at all for certain other things—parity payments, we will say. The language of the amendment on pages 78 and 79 makes 55 percent of that \$500,000,000 available for parity payments. That is a maximum. It might not require 55 percent. It might not require 40 or 25 percent, depending on the situation. Whatever the amount is that will be diverted from the soil-conservation fund to make these parity payments the remainder will still be there for soil-conservation purposes, if not for parity payments.

Mr. McNARY. Yes; or it might go into the General Treasury.

Mr. BARKLEY. If Congress should appropriate the full \$500,000,000 for soil conservation, it would not be necessary to appropriate in another act 55 percent, because the language that we have in the bill makes 55 percent of the appropriation available for parity payments.

It seems to me there ought not to be so much confusion about the matter as seems to be in the mind of my religious friend from Oregon, whose conscience would not permit him to attend the dark midnight session of the Committee on Agriculture and Forestry when this bill was voted on.

Mr. McNARY. Mr. President, I think the confusion is a little more intense now than before the Senator from Kentucky attempted to explain the matter.

Mr. BARKLEY. In other words, the more light is shed on the Senator from Oregon, the less light there is. [Laughter.]

Mr. McNARY. Mr. President, laying aside all pleasantry, the Senator from Idaho [Mr. POPE] now seems to proceed upon the proposition that by this bill we are amending the Soil Conservation Act, and taking for another purpose 55 percent of the sums heretofore devoted to that commendable purpose. I did not know this bill was intended to operate in that fashion. That makes it just that much worse. Fifty-five percent goes to parity payments to the producers of three commodities. That leaves 45 percent for soil-conservation and soil-depletion payments over all of the agricultural field. Then, Mr. President, we are not only discriminating against these other crops, but we are giving a double bonus and subsidy to the producers of three crops—cotton, corn, and wheat—at the expense of all others.

If that is what we are trying to do—to take soil-conservation money from all the other agricultural commodities of the country, which in their gross income far exceed those mentioned here, and give parity or bonus payments to the producers of three crops—I say it is the worst effort ever made to discriminate among farmers in this country, and I should be ashamed to be a party to it.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. McNARY. Yes.

Mr. BARKLEY. Does the Senator take the position that both soil-conservation payments and parity payments ought to be made to the identical individual farmer? Does the Senator oppose the proposal that where the farmer is entitled to parity, which might be more or less—I do not know how it can be worked out in advance; it might be more or less, and it is just as apt to be more as less than he would receive under the Soil Conservation Act—he ought to receive those parity payments and also receive under the Soil Conservation Act the same benefits that he would receive if there were no parity payments?

Mr. McNARY. Mr. President, the answer is simple. The Soil Conservation Act was passed after the disastrous fate which the Agricultural Adjustment Act suffered in the Supreme Court. It was calculated to benefit without discrimination all the crops of the country through the preservation and conservation of soil foods in the soil. That was the simple thing which we were attempting to do. I think the same conservation policy should be carried out on all crops. The theory of parity payments under this bill is to give the farmer an income based upon the prices that obtained during the golden age of 1909-14—a wholly disassociated subject.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. WHITE. Disclaiming any knowledge of the pending bill, I wish to ask a question. The first amendment is the one now before the Senate. As I understand, that declares the bill to have five purposes. The purpose of the bill, first, is to maintain parity of prices paid and parity of income; then the ever-normal granary; then the conservation of the soil; then the prevention of wasteful use of the soil. Those are purposes enumerated in the first paragraph of the bill.

On page 2, however, in line 5, it is provided that the three last-named purposes—that is, maintenance of the ever-normal granary, conservation of the soil, and the prevention of wasteful use of soil—are to be carried out “without interfering with the maintenance of such parity prices.” What does it mean when it says “without interfering with the maintenance of such parity prices”? Are these three latter purposes subordinated entirely to the payment of the parity of price, or what is the relation of one to the other, and what is the priority, if there is priority?

Mr. McNARY. Mr. President, I think the inquiry, a very proper one, must be addressed to the Senator from Kansas [Mr. McGILL] or the Senator from Idaho [Mr. POPE], and I hope they may answer the inquiry of the Senator from Maine.

Mr. McGILL. What was the inquiry?

Mr. WHITE. I do not know whether or not I can repeat the inquiry as I stated it, but I will undertake to do so. I said that in section 2 of the bill there seem to be five purposes declared. One is the maintenance of parity of prices paid, then the parity of income, then the ever-normal granary, then the conservation of the soil, and then the prevention of wasteful use of the soil. Those are five purposes set out as the justification for the proposed legislation.

I notice in line 5 on page 2 that the three latter purposes seem to be made subordinate to the first two purposes, for the language is that the three latter objectives are to be attained “without interfering with the maintenance of such parity prices.” I am seeking to learn the significance of that. Is there a priority established between these purposes, or do they all stand alike; and if they do stand alike, what is the meaning of the language “without interfering with the maintenance of such parity prices”?

Mr. McGILL. I thought that had been rather fully explained last Monday.

Mr. WHITE. I did not hear the explanation, if it was made.

Mr. McGILL. The philosophy of the bill primarily is, first, to guarantee the farmer a parity of prices. These other things which the Senator has enumerated, while they may be done, are not to be done in a manner which will interfere with obtaining parity of prices. That is the interpretation I put on the language.

Mr. SHIPSTEAD. Mr. President, will the Senator from Oregon yield to me?

Mr. McNARY. I yield.

Mr. SHIPSTEAD. Does the Senator from Kansas then interpret the bill as meaning that the parity prices are to be paid on these commodities whether or not anything is paid for soil conservation?

Mr. McGILL. Parity prices may or may not be paid, but the purpose of the bill, the objective to be attained primarily, is, of course, parity of price. These other things may be done insofar as they do not interfere with reaching the parity of prices.

Mr. SHIPSTEAD. As to these four commodities?

Mr. McGILL. Certainly.

Mr. SHIPSTEAD. If no money is left for benefit payments, then they will not be made. Is that correct?

Mr. McGILL. If no money is left, I should think they would not be paid.

Mr. SHIPSTEAD. After the parity price has been reached.

Mr. McGILL. We are seeking to attain the parity of prices on the market, and we are not to build up the ever-normal granary, or things of that sort, if by doing so we would drive

downward the market price in the country. We are to bring the price as nearly as we can to parity, not accumulate enormous surpluses which would interfere with that. In other words, parity prices is the objective of the bill largely.

Mr. SHIPSTEAD. If we do not reach a parity of prices, the funds will be used to pay the difference between the current price and the parity price?

Mr. McGILL. I do not interpret it that way. I do not interpret it as meaning that we will not make payments merely because we have not reached parity, or that we will make them because we have not reached parity, but that the ever-normal granary is not to be used to interfere with the attainment of parity of prices. That is the philosophy of the bill, and that is what it means.

Mr. WHITE. Does it also mean that there will be no soil-conservation payments made unless parity of prices are realized?

Mr. McGILL. Oh, no; it does not mean that.

Mr. WHITE. Or if parity prices are realized?

Mr. McGILL. No; it does not mean that.

Mr. WHITE. In other words, is the soil-conservation program entirely contingent on the result of this effort to maintain parity of prices?

Mr. McGILL. No.

Mr. SHIPSTEAD. That answers the question I thought I asked.

Mr. McGILL. The other things provided for are not to be done in a manner to interfere with the obtaining of parity of prices.

Mr. WHITE. If they do interfere, they are not to be done?

Mr. McGILL. Certainly. In other words, we are not to build up an enormous surplus in this country which would interfere with the maintenance of a parity of prices.

Mr. McNARY. Mr. President, I think I understood from the interpretation made by the Senator from Idaho [Mr. POPE] that the pending bill makes available 75 percent of the soil-depletion funds for parity payments.

Mr. POPE. Yes.

Mr. McNARY. I think I may fairly inquire of the able Senator from Idaho as to the amount of money he thinks the bill, if placed in operation, will burden the Treasury of the United States.

Mr. POPE. No man in the world can tell in advance what the price of wheat or of cotton or of corn of any other commodity will be at this time next year. In fact, one cannot tell what it will be a month from now. But let us see if this is not the explanation to be made: At the beginning of a year, when the Committee on Appropriations meets, the Secretary of Agriculture will make an estimate and submit to the committee a statement of what he thinks it would take to service the proposed law providing the parity payments for the coming year. I think at that time the Secretary would be in a better position than anyone else to do that, and would therefore help the Committee on Appropriations. Then, the Committee on Appropriations will recommend an appropriation in whatever amount they see fit to recommend, whether it will be the amount estimated by the Secretary of Agriculture or not.

Whatever amount is appropriated will be utilized for the making of parity payments. It may not pay the full amount contemplated by the schedule in the bill, and it may be more than is necessary. But that is the way the matter would be handled, as I understand.

The question is frequently asked, “Can you tell how much this is going to cost next year?” I cannot, nor can I tell how much it is going to cost to keep up our Army and Navy next year. I do not know how much it will cost to operate this department or that department, but at the proper time the estimate will be made, first to the Budget, and later to the Committees on Appropriations, of what those best qualified to judge think will be necessary. Then the appropriation will be made, and it will be utilized for the purpose set out in the bill.

Let me make a further statement to the Senator from Oregon, since he was not present at the meeting of the Com-

mittee on Agriculture and Forestry when they fully discussed this matter.

Mr. McNARY. That was Sunday night.

Mr. POPE. Some time Sunday, and perhaps Sunday night. It was discussed at different times by the committee.

It was the thought of the committee that possibly, if not probably, the only money that would be available to service this program and make the parity payments would be \$500,000,000, or the amount which has heretofore been appropriated for soil conservation. We thought it unlikely that processing taxes would be levied and that it would be unlikely, in view of the President's message, that the Congress would appropriate any more than \$500,000,000 for the coming year to carry out this program, as well as the soil-conservation program.

As the Senator from Kansas has just stated, we thought the matter of controlling production so as to bring up prices more important than the amount of payment the farmers would receive. So 55 percent of what we thought likely to be appropriated should be set apart for making parity payments, keeping up the soil-conservation program all the way through, and then these devices for controlling acreage and controlling production would go into effect, which in themselves ought to have a tendency to bring up prices. That is all, I think, that can be said about the matter of money. The bill is now so drawn that whatever money is made available by the Committee on Appropriations and by the Congress can be used to carry on this program.

Mr. McNARY. Does the Senator take the position that the bill contemplates that parity prices shall be paid?

Mr. POPE. They shall be paid if the money is available. But I may say to the Senator that he is thoroughly familiar with the rule that all parts of an act must be construed together, and when the bill provides that the Secretary shall make parity payments in certain amounts, and there is another provision in the bill that if he is unable to pay them in full he shall pay them pro rata, that seems to me to be perfectly clear. I have always construed the different sections of a statute together in order to determine what powers are granted under the statute.

Mr. McNARY. Does the Senator believe that a declaration of policy which specifies that parity prices and parity income shall be paid should remain in the bill when it is based upon such dubious illusions as the Senator mentions?

Mr. POPE. Certainly it should remain in the bill for the reason that it is a mere declaration of purpose and policy in connection with the bill.

Mr. McNARY. Yes; and I think that is the most solemn part of the whole bill.

Mr. President, courts are maintained and lawyers are employed to construe the provisions of the law; but a declaration by Congress is a solemn statement of what the purpose of the law is, and what it is intended to do. It is a moral contract, Mr. President, which far transcends the mere homely words employed in the provisions, that the Congress will do certain things for those who conform to its provisions.

When this declaration contains the solemn assertion, as it does, that the farmers will receive parity prices, followed by another provision, which is statutory in nature, that the Secretary shall make parity payments, it is idle for anyone here to say to me, "We will make these payments if we can. The Secretary will be excused if he cannot make them, but he will do just the best he can."

Mr. President, I am not going to deal with the farmers along that line. They have been told, and they believe from the declaration of policy in the bill, that they are to receive parity payments. That is the particular inducement that is used to get the farmers to sign these unconscionable contracts. The able Senator from Idaho [Mr. POPE] and the able Senator from Alabama [Mr. BANKHEAD] say simply, "That means that we are going to do the best we can." If that is what it means, we should not adopt the amendment now pending before the Senate. I have reference to the

language found in italics in section 2, Mr. President, which was inserted by the committee:

It is * * * the policy of Congress to * * * maintain both parity of prices paid to farmers * * * and parity of income for farmers.

That is what we assert we are going to do for the farmers. If we are not going to do that, this language should be stricken from the bill. A declaration of policy is a sober and sincere statement of what we intend to do when certain legislation is enacted. If we do not intend to do it, let us strike it out; or if we intend to do it only if we can do it, and fool the farmers, then let us leave the language there.

The PRESIDING OFFICER. The question is on the adoption of the first committee amendment, on page 1, line 5, of the bill.

Mr. JOHNSON of California. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pepper
Ashurst	Davis	La Follette	Pittman
Austin	Donahey	Lee	Pope
Bailey	Duffy	Lodge	Radcliffe
Bankhead	Ellender	Logan	Russell
Barkley	Frazier	Loneragan	Schwartz
Berry	George	Lundeen	Schwellenbach
Bilbo	Gerry	McAdoo	Sheppard
Borah	Gibson	McCarran	Shipstead
Bridges	Gillette	McGill	Smathers
Brown, Mich.	Glass	McKellar	Smith
Brown, N. H.	Graves	McNary	Thomas, Okla.
Bulkeley	Green	Maloney	Thomas, Utah
Bulow	Guffey	Miller	Townsend
Burke	Hale	Minton	Truman
Byrd	Harrison	Moore	Tydings
Byrnes	Hatch	Murray	Vandenberg
Capper	Hayden	Neely	Van Nuys
Caraway	Herring	Norris	Wagner
Chavez	Hitchcock	Nye	Walsh
Clark	Johnson, Calif.	O'Mahoney	Wheeler
Connally	Johnson, Colo.	Overton	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. AUSTIN. Mr. President, I have attended the sessions of the Senate and followed the debate on this bill with great interest and care, more particularly because I found it extremely difficult to interpret the bill on reading it. That is not the fault of the committee, I am sure, but it is the result of their attempting to deal with a great economic question in a manner to avoid the serious harm that generally follows any attempt to interfere with and to control the natural flow of economic forces.

Of course, the committee was extremely hopeful that it could avoid the customary pitfalls. I have heard Joseph's example referred to by the committee that sponsored this bill as if that were a good example to follow. I fear that the gentlemen who made that reference have forgotten one of the consequences of Joseph's supervision and control of agricultural products. They will not have to turn over many pages of the Bible to discover that the inhabitants had to part with all their possessions and all their livestock in order to get food for themselves, and that the ultimate result of that regimentation of agriculture was the bondage of the Jews who were thereby so reduced to a condition of servitude and slavery that they had to go to the wicked Pharaohs.

I do not wish, as I am discussing this matter so late in its consideration, to be accused of taking a narrow, prejudiced, or biased view. Considering it from a continental viewpoint, indeed, considering it from a viewpoint extending far beyond the continent and reaching to our remotest islands, it seems to me that in its operation it must accomplish a reversal of the economic policy that has made the United States powerful in the world of finance, supreme in the field of production, foremost in culture and high standard of living, and notable for its extremely smart women and extraordinarily able men.

This bill, in my opinion, would bring about a reversal of that policy for, stated briefly, though probably too briefly to be accurate, instead of a policy of free trade among the several States and a regimented or restricted or limited trade abroad, which all parties of whatever name have, to some degree, espoused for our economic policy, it would restrict and limit and regiment trade among the several States. Indeed, it goes further than that; it regiments trade among the counties of the State; and it goes further even than that, and regiments trade between the farms in the counties.

Along with that, we are contemplating the making of treaties, not ratified by the Senate of the United States, by which our various agricultural commodities are exposed to the competition of the foreign grower of the same type of commodities not only in the domestic market, by virtue of the lowering of tariff barriers but abroad, where we have heretofore competed successfully and where we have of late been unable to compete because we have tinkered with economic law, and have so raised the cost of production and manufacture in this country that we can no longer carry on successful competition in foreign markets. For that reason I feel disposed to oppose the measure.

But, Mr. President, I have a more intimate interest in this matter, and I speak of it here because the parliamentary situation, it seems to me, is exceedingly strange. We have a great Agricultural Committee. It is great probably because its members are selected from States where agriculture is conducted upon a grand scale. I do not derogate the ability of the Members who now hold positions on that committee in any way at all, but, on the contrary, give them praise. Certainly they have shown to us in the consideration of this subject intelligence, earnestness, honesty, and fidelity to the principles in which they believe. But it is a curious fact that, speaking generally, one may carve out of the map of the United States almost a quarter of the entire area from which he will find no representative whatever save one, and he is opposed to this bill—on the Agricultural Committee.

East of Minnesota and north of Mason and Dixon's line the only representative on the Agricultural Committee is the senior Senator from New Jersey [Mr. MOORE], who, I am informed by him, is opposed to this bill. So I feel justified in the efforts I have made to understand the bill.

At the outset, Mr. President, it was my hope that, upon hearing the bill debated, I would find that I was mistaken about certain views I entertained on first reading; that I might be able to support it as written. Afterward it occurred to me that it could be amended in such a way that I might support it. It must be apparent that my interest is with agriculture, for more than a third of those engaged in gainful occupation in my State are engaged in agriculture; and when it comes to dairying the population of the entire State does not equal the cow population of the State. Vermont is distinctly a dairy State. Our green hills afford early and sweet pastures, and our cream and milk and butter are preferred on account of their quality. Moreover, we have expended money and sacrificed time and labor and thought in cleaning up our herds. We have a reputation for the quality of our dairy products which has enabled us to serve not only the immediate surrounding States, as well as our own, but to send to the Boston market about three-fourths of the fluid milk that is delivered there each morning. Therefore the probable effect of this bill concerns us greatly. If this bill would create more competition in dairy products than we now have, I cannot conceive how we could carry on. For several years our production has mounted until we now find it extremely difficult to proceed with our business upon a sound basis.

An amendment to the bill has been proposed by the Senator from Oregon [Mr. McNARY] which I hope the Senate will adopt. My interpretation of that amendment is that it would so affect this bill as not to place in the power of the Secretary a mandate to encourage those who divert their acres from corn to increase their cow population for the

purpose of going into the business of selling milk or butter or cheese.

I talked with the county agent leader of the extension service in the State of Vermont yesterday about this question. He stated that he had talked with a specialist in agronomy from Nebraska only 2 days before and had submitted this problem to him and the question whether it was at all likely that this bill could be so administered in Nebraska as to affect the milk industry in Vermont. The specialist replied, "No; I cannot conceive of that"; and he went on to explain that really there were not so many engaged in the production of dairy products in Nebraska; that those who were so engaged had found it very beneficial to their farms and that it contributed to enhance their standard of living; but he asserted that there were many who did not produce milk. When asked where they got their milk, the reply was that they did not use much milk, but what they used was mostly canned milk. What kind of canned milk? Borden's was named. The train was at that point in the story passing Richmond, Vt., and our county agent leader of the extension service pointed out of the window and said: "There is a Borden plant. Don't you think it would affect the market for Vermont milk to have the broad acres of Nebraska diverted into the production of milk cows?" He had to admit that certainly in theory it would.

Mr. LEE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Oklahoma?

Mr. AUSTIN. I yield.

Mr. LEE. What crop does the Senator think of to which this land might be diverted and not come in competition with some other crop?

Mr. AUSTIN. Mr. President, I doubt if I could answer that question. I have an idea that the bill provides for such control of all crops that any suggestion any Senator might make would be a futility.

Mr. LEE. Mr. President, will the Senator yield further?

Mr. AUSTIN. Certainly.

Mr. LEE. It is my opinion that if any part of the control proposed by the bill should be applied to the fertile acres of southern Oklahoma and Texas so they would be taken out of production of cotton, those lands would very promptly be placed in such products as would compete with the fruit growers, the dairy industry, and the producers of almost any other product that might be raised.

Mr. AUSTIN. I thank the Senator from Oklahoma for his assistance.

Mr. WHITE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Maine?

Mr. AUSTIN. Certainly.

Mr. WHITE. Under the A. A. A. Act there was great complaint from the people of my State, I think from portions of New York and I have an idea also from Idaho, that land diverted from cotton and wheat production was being utilized for potato growing, the result being a tremendous surplus and the further result of an utterly ruined market for the producer of potatoes in Idaho and Maine.

Is there anything in this bill at all which in any way limits the right of the farmer to utilize those acres which are to be taken out of cotton and wheat production for any purpose he sees fit? In other words, may the land which has been devoted to cotton and land which has been devoted to wheat be turned, without any limitation and without any discouragement, to the planting of potatoes?

Mr. AUSTIN. My answer would be, "No; there is not." I may be wrong in my interpretation of the bill. I am going to be very modest today in any attempt to answer questions about the bill, but my understanding is there is nothing in the bill to prevent a farmer growing anything else than corn when his corn acres are diverted—except one thing, and that thing is almighty. He must do it according to the regulations laid down on his back by someone in

Washington who is given that power by the Congress, to whom the people have said, "You shall do the legislating for us and you shall not delegate it to any Secretary of Agriculture or any other individual."

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Idaho?

Mr. AUSTIN. Certainly.

Mr. BORAH. Mr. Earl Smith, of Illinois, recognized as one of the leaders in the farm movement of the United States, testifying—I do not know whether it was with reference to this bill or another bill—about a bill which had for its purpose the control of certain commodities like wheat, corn, rice, tobacco, and cotton, declared that it must necessarily follow that the acreage which was reduced to idleness must be controlled; otherwise it simply would be planted to those commodities which would come in competition with some other commodities like potatoes. He left the inference in my mind that at the present time there is no control over that idle acreage, but in order that the bill might be successful and be a permanent measure, the control would have to be extended so as to enable the Secretary of Agriculture or some person to determine what should be raised upon those idle acres.

Mr. AUSTIN. I thank the Senator from Idaho. I invite attention at this point and in the same connection to the control over other foods than wheat, rice, and such commodities as cotton and tobacco, as provided in the bill. I refer to page 81, paragraph (h):

(h) No payment shall be made with respect to any farm pursuant to the provisions of this act and of sections 7 to 17 of the Soil Conservation and Domestic Allotment Act, as amended, with respect to cotton, wheat, corn, tobacco, and rice unless, where the area of cropland on the farm permits, and it is otherwise feasible, practicable, and suitable, in accordance with regulations prescribed by the Secretary, there is grown on such farm an acreage of food and feed crops sufficient to meet home consumption requirements.

Of course I realize there is a difference of opinion about the scope of that provision and what its meaning is. Indeed the Senator who admits the authorship of that particular section stated in response to an interrogatory that he thought there would be compliance with that "unless" clause if the farmer raised any one crop of food for human consumption on the farm. How he can be justified in that interpretation he himself will have to answer. For my part I could not reason myself into that position. This "unless" clause is absolute. It raises the barriers against receiving something to which a man is now entitled. He is now entitled to the benefits of the soil-erosion provisions under the Domestic Allotment Act, about which I hope I shall remember to speak before I close, because I regard it as so essentially different from this particular bill that one cannot treat of them in the same way at all.

He must, to the extent of his living on the farm, which means his family and his hired help, and to the extent of feeding all of his herds of whatever kind, raise such other things than corn, wheat, cotton, and rice as the man in Washington, to whom this power is granted, shall tell him by regulation he shall raise. I do not believe we would have any surplus if that were done on every farm in the country, because I think one-third of the population of the country who made themselves self-sufficient on their own farms would take up the slack.

But whether that is sound economics, the fact is that so far as concerns living in a free country, with the right to trade freely between the several States, with the right to trade freely in the counties, with the right to trade as between farmer and farmer, we find ourselves contemplating a bill that lays down an absolute control over the farmer in person through this measure, over his acres, and over his contracts.

Mr. President, it does not seem to me, when we take up the corn and wheat phases of the bill, that we can maintain with any certainty that it is limited in its operations to corn and wheat, that it applies only to field corn when talking about corn, because I think we have to go on to the conclusion, from what I have read, that it extends to all the commodities which

are necessary to maintain the lives of the humans and beasts on the farm.

Not only is that true but I find another provision in the bill that extends its operation beyond field corn and wheat, although we are dealing with corn and wheat more particularly—at least I am in discussing this matter—and that is the provision defining "for market."

We see by what is contained in paragraph 22, beginning at the bottom of page 71, that we are not only brought within the regimentation and control and coercion and limitation of corn and wheat, but we are also invited to cover eggs and milk and butter and cheese, and, if there are other products, to cover them; for the term "for market" as used in this law, if passed, would mean this:

The term "for market" in the case of wheat and corn means for disposition by sale, barter, exchange, or gift, or by feeding (in any form) to poultry or livestock which, or the products of which, are to be sold, bartered, exchanged, or given away; and the terms "marketed" or "to market" mean to dispose of in any such manner. Such terms shall not include consumption on the farm.

Of course there is an inconsistency here, and this language does not mean what it says. All the discussion admits that if wheat or corn is consumed on the farm by poultry and the eggs are sold, then it is controlled as "for market," and comes within the definition; and that is true of milk and butter and cheese. On this particular point the senior Senator from New York [Mr. COPELAND] and I have offered an amendment, which I hope the committee will see fit to accept, excepting poultry products and the products of dairy cattle.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes; I yield to the Senator from Louisiana.

Mr. ELLENDER. The Senator is aware of the other subsection on page 6, which would not apply as he has just indicated with reference to poultry, eggs, and so forth. I refer to the 300-bushel exception. Look at page 6, under paragraph (2).

Mr. AUSTIN. Yes, Mr. President; I am aware of the exception based on quantity of corn raised; and I understand from what has been said here that if a farmer does not produce more than 300 bushels of corn he is not eligible, as it is called here, to vote, and therefore he cannot be condemned as a noncooperator. I will ask the Senator from Idaho [Mr. POPE] if that is correct.

Mr. POPE. That is entirely correct, as I understand; and where a farmer raises 300 bushels of corn or 100 bushels of wheat, that may be fed to his chickens and livestock, even though they be sold to market.

Mr. ELLENDER. That is the point I was trying to make to the Senator from Vermont.

Mr. AUSTIN. That is very fine. I am glad to get that much out of the bill. That is a slight protection. Of course, it is observed that in this definition there is no limitation upon the sales. A sale made between farmer and farmer living side by side in the same State comes under the definition; and upon interrogating the Senator from Idaho I learned that perhaps that was one of the prices which the farmers of the nine Northeastern States, for example, have to pay for the general benefit of agriculture. Speaking generally, they have been very cheerful in paying a high price for the general benefit of agriculture. I desire to call attention to what they paid under the Agricultural Adjustment Act, because some reference has been made by the proponents of this bill to the experience under the Agricultural Adjustment Act, and I understood the claim to be made that no complaint of injustice had been heard from farmers about that matter.

I do not think we would hear much complaint from the farmers of the part of the country from which I come. They are not complainers. They generally attend quietly to their business, and somehow or other they get a living out of that thin soil, from which they have to harvest a crop of stone before they put in a crop of grain; and, as a general rule, we find they have something tucked away in a savings bank, which, lo and behold, gets out onto the great plains of our

country, and they sometimes find it difficult to recover that hard-earned surplus of their own from those who are located where they might benefit very particularly from such a bill as this, as shown by what I am going to call attention to.

I am making no invidious comparison if I refer to Iowa by contrast with Vermont in the experiences of the two States. Let us contrast these figures, which are comparable figures:

The farmers of the State of Vermont received 68 cents per capita of farm population, and the farmers of the State of Iowa received \$69.67 per capita of benefits under the Agricultural Adjustment Act.

Take these figures, which I think are comparable: It cost the people of my State \$18.63 for every dollar of benefit payments received by the farmers of my State, and it cost the people of Iowa 14 cents for each dollar received.

Mr. WHITE. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Maine?

Mr. AUSTIN. Yes; I yield.

Mr. WHITE. Maine and Vermont have some ideas in common about many things. Will the Senator read—because I think he has them before him—the experience of Maine under the Agricultural Adjustment Act, what it cost the people of Maine, and what they got out of it?

Mr. AUSTIN. Yes.

Mr. WHITE. Within those figures may be an explanation of why some of us are hesitant about any more of these experiments.

Mr. AUSTIN. I am glad to do that.

I have before me a table for all the States of the Union, which I ask unanimous consent to have printed in the Record at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. AUSTIN. From that table I take the following:

The total benefits received in the State of Maine during the period covered by the year from July 1, 1934, to June 30, 1935, were \$3,758—no cotton benefits, no wheat benefits, no tobacco benefits, no sugar benefits. They were all corn and hog benefits.

Cost of processing taxes for Maine, \$3,164,000. Cost for each dollar received by Maine, \$841.97. Cost of processing taxes to farmers of Maine, \$678,870.

Benefits received per capita of farm population—now observe this—2 cents. Benefits received per farm, 9 cents.

Cost of processing tax per farm, \$19.21.

The State's population is 797,000, and the farm population of the State is 171,000.

Here you see the contrast under the topic of benefits received per capita of farm population—2 cents in Maine, against \$69.97 in Iowa.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Indiana?

Mr. AUSTIN. Yes; I yield to the Senator from Indiana.

Mr. MINTON. Has the Senator the figures there on the tariff?

Mr. AUSTIN. No; I do not think they are included in this table.

Mr. MINTON. The Senator has not those figures at all?

Mr. WHITE. Mr. President, will the Senator yield to me?

Mr. AUSTIN. I yield.

Mr. WHITE. I may say that as to most products of the Maine forest and the Maine farm and the Maine coast, tariffs are substantially reduced under the Canadian reciprocal treaty.

Mr. MINTON. Has the Senator from Maine the figures on the tariff, showing how much per capita the people in Maine get by reason of the tariff that the rest of the country pays?

Mr. WHITE. Of course, the people of Maine are very much interested in the shoe tariff. In the past we have had some slight benefit from it, but it looks as though that benefit has been taken away from us.

Mr. AUSTIN. Mr. President, I think that, so far as the agricultural bill is concerned, the application of the tariff to agricultural commodities is entirely inconsistent with the theory of parity price, of control of supply, of stability of service of agricultural commodities. My own State, for example, where the people are engaged principally in dairying, situated, as it is, right at the gateway from Canada into the United States, finds that fresh cream comes down in huge quantities now, and only now, since the trade agreement between Canada and the United States was made; that butter comes in without any tariff on it at all; that the products of wheat, for instance, bread, the most commonly used product of them all, comes down through Vermont in truck loads every day and goes as far south as Rhode Island. Fluid milk is not so commonly shipped into Vermont, because those who drink milk have discovered that it is much preferable to buy Vermont milk than milk which comes from our great neighbor on the north, where the cattle have not yet attained that degree of immunity from tuberculosis and other cattle diseases found among the herds in Vermont, and where the farmers have not as yet been able to clean up their barns and milksheds, and so on, as we have done.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. MINTON. The Senator from Vermont, of course, is in favor of a protective tariff?

Mr. AUSTIN. That is true.

Mr. MINTON. The figures the Senator was reciting a while ago were figures which related to the Triple A and its operation?

Mr. AUSTIN. They were.

Mr. MINTON. And how much the people of Vermont paid, by which the people of Indiana, perhaps, and of States farther west in the agricultural section, profited. Does not the Senator recognize the fact that the Triple A was an application of the same principles to the farmer which we apply to the manufacturer under the protective tariff that we were levying an indirect tax under the Triple A and giving the benefits to the farmer, whereas we levy an indirect tax under the tariff, and the manufacturer collects it?

Mr. AUSTIN. I have never been able to see that, Mr. President. I do not see anything but the most remote relationship between the tax on a manufactured product and the rental benefit given under the Triple A. I do not see any intimate or causal connection between high tariffs and the proposal here to fix prices on agricultural commodities by controlling their supply.

Mr. MINTON. Is not that what is done under a tariff? There is a control of supply in order that prices here may be raised, and the manufacturer adds to the price of his manufactured article the tariff, which is so high that nothing else can get in, and thereby the supply is controlled and the price is increased.

Mr. AUSTIN. No, Mr. President; that is not the theory of the protective tariff.

Mr. MINTON. What is the theory?

Mr. AUSTIN. The theory of the protective tariff is to levy on importations of manufactured products sufficient duty to make up the difference between the cost of production at home and the cost of production abroad. Its objective is the protection of the American workman, who is one of the greatest customers the farmer has, and by virtue of the protective tariff we kept the wheels of our factories turning, and kept employed men, who bought milk and butter and eggs, and who bought and ate bread and consumed the wheat and corn of the farmers.

I know of no better economy in the world to lift up the standard of the farmer than a free economy here at home among the several States, not only as to agricultural commodities and as to the acreages the farmer shall plow and

plant, but also as to the mining of our country, and as to the manufacturing and other productive activities of our country, a free economy, with wealth and plenty, a cornucopia filled with all the good things of life, with a tariff against competition from abroad that has for its object the protection of those very men and women who turn these natural products of the soil into things for the use of man.

We have here the greatest market in the world. No other equals it anywhere else. Perhaps such a market may be created somewhere else in the future; I have such a place in mind, but up to date America is the greatest market for agriculturists; it is the greatest market for our manufacturers there is in the world. I believe firmly in the theory of protecting that market for our people, and of making it just as active and accessible as possible among the several States. In other words, I want our country to go on with an economy of capitalism that has within it the stimulus for the improvement of manufacture and mining and agriculture, and which thereby will increase the wealth of its people and afford them more leisure and more opportunity to cultivate the fine arts, and to raise up the standard of their thoughts and of their spirits, and that they may continue to develop as they have developed in the past.

I would prefer to stimulate that sort of thing, and to increase and hasten that development beyond anything we have seen before. We have shortened the hours of labor in this country by a natural process and by the free flow of our economy. We have increased the wages of workingmen; we have raised up the opportunity of the boy on the farm. Indeed, we made it so wonderful for him that he now enjoys in many instances luxuries which cannot be enjoyed by the city dweller.

I should like to increase that opportunity. I should like to make the incentive for individual effort greater. I should like to stop all tendency toward communistic efforts in this country. I should like to stop all tendency toward absolutism in government. I should like to reduce the regulation of industry and other activities of men in this land of the free to the minimum. I know we need regulation, I know we need socialization, but I would not completely subvert the Republic in order to accomplish regulation and socialization.

We can attain justice for the poor without changing our form of government. We do not need, in an agricultural measure such as the one before us, it seems to me, to undertake to divide up a man's farm and tell him how he must plant it, then go before the people and say, "Well, that is justifiable because we want parity. We want to fix the prices of farm commodities on the basis of 25 years ago, and hold them right there."

To my mind that is the condemnation of the bill, it is the condemnation of it economically, because it destroys all opportunity and all incentive for the farmer. His life is absolutely frozen by such a law as that. He does not know what he can do until he comes to Washington to find out. He cannot employ his acres as his forefathers did and as he was taught to do, he cannot follow the practices not only of himself, but of his ancestors, he cannot make that use of his farm which he has found by experience to be best, until he has convinced those who control his acres that that is what ought to be done in order to achieve the objective of control of supply, of control of price, under the name of commerce.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HATCH. I have been interested in what the Senator has had to say about the control of price by controlling the products of the farm, to the effect that such would be destructive of our form of government, and all those things of which he has been speaking. It reminded me of some questions which were propounded this morning indicating that such practices are ones in which industry has been engaged for a long number of years. Have they not had the effect of regulating the supply to the demand?

Mr. AUSTIN. Mr. President, the question and the illustration, it seems to me, are not harmonious with each other. To the last clause I would say yes, but I would say no to the former part of the question. We are a free market. It is the operation of the capitalistic law that supply and demand affect price, and we have great markets for agricultural products, we have great markets for other commodities, we have great markets for capital issues and the evidences of wealth. They are the normal granary of this country. They are not operated by a fiat from Washington; they are operated under the known laws of experience, and no man is wise enough or ever has been wise enough to control them. But the slack is taken up; that is, when the markets are free the slack is readily taken up, depressions are leveled off, and the normal granary is operated according to natural economic laws.

Mr. HATCH. Does the Senator think it is a fact that Government regulation is bad?

Mr. AUSTIN. What does the Senator mean by "bad"?

Mr. HATCH. I refer to the control and regulation of output according to demand. It is all right if it is done by individuals or by groups, but if the Government steps in to assist, does the Senator think that is bad?

Mr. AUSTIN. An attempt to amend the Constitution by statute is bad.

Mr. HATCH. I have in mind another industry with which the Senator is familiar, the great oil industry, which throughout a period of years exceeded all other industries which develop natural resources in respect to the amounts developed.

The industry brought in excessive amounts of oil, piled up huge surpluses of oil, and drove the price of oil down until it was ruining big and small producers alike. I have in mind the fact that by virtue of regulations and compacts made between States and by statutes—by the law, if you please—that industry has been regulated for years, and today the production is kept down to meet the demand. I am advised by those engaged in the business that such regulation has proven to be most successful for that great industry. The independence of the operators was not destroyed, our Government structure still stands, and the oil industry is more prosperous than ever before.

Why could not such a system be worked out for the farmer?

Mr. AUSTIN. Perhaps it could. I have made the assertion that I thought such degree of socialization and regulation as is necessary should be made within the Constitution. I refresh the mind of the Senator from New Mexico with the recent historical fact that the control of the oil industry was not permitted to extend to regimentation from Washington.

Mr. HATCH. I recall some very wise and learned men in the oil industry who demanded that it be run from Washington, and who said, "We must have a dictator for the oil industry."

Mr. AUSTIN. When it got to the real test, though, the provision which relates to the "hot oil," by which Congress undertook to vest in the Federal Government the control of intrastate production, was held void, as it ought to have been, I think.

In the light of that experience and other experiences, I do not want to see Congress go ahead and enact a law which, it seems to me, they ought to recognize as being directly in the teeth of the Constitution. After a unanimous decision of the Supreme Court, and after repeated decisions some of which were not unanimous but which were in agreement on this point, there cannot be much doubt left that the regulation of production of agricultural commodities is not within Federal jurisdiction. If there is any one principle of law that is absolutely, finally, ultimately, and authoritatively settled, it is the proposition that the control of agricultural production is not within the Federal power. Further than that, it is equally well settled that it is outside the Federal power.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER (Mr. Bilbo in the chair). Does the Senator from Vermont yield to the Senator from Colorado?

Mr. AUSTIN. I yield.

Mr. JOHNSON of Colorado. In the Senator's judgment, is it fair to compare the production of oil and the production of staple agricultural commodities? As a matter of fact, all the oil we have today was here a thousand years ago, and to obtain it is simply a matter of drawing on the supply. It is not really a matter of producing it. In producing agricultural commodities something is produced which does not exist today. The oil that is gotten from the ground was already here a thousand years ago and more.

Mr. AUSTIN. I answer the Senator from Colorado by saying "no," but I really do not think the Senator from New Mexico had that particular idea in mind. I think he was dealing with the broader question—whether to undertake to regulate and limit the production and sale of a natural resource is an exercise of power which the Federal Government possesses. Was that it?

Mr. HATCH. Mr. President, I may say that the very argument the Senator is making today against this bill was made against all measures proposed to regulate the oil industry, and the same arguments may be heard today out in the States that produce oil. The Senator may go down into my own State of New Mexico in the oil-producing fields and he will find men who are making the same arguments that have been made and are constantly being made on the floor of the Senate. Yet, in spite of such regulation, the oil industry is prosperous.

Mr. AUSTIN. Mr. President, I think the question of the Senator from Colorado becomes pertinent, that is, that it is a non sequitur; it does not follow that simply because regulation works with respect to oil it will work with respect to other commodities. I do not assume that the oil industry is controlled by Federal law. My understanding is that it is controlled by State law.

Mr. HATCH. I did not say it was controlled by Federal law. The only reason it is not is because the Court threw the law out. The oil industry tried its best to have it done.

Mr. AUSTIN. Mr. President, I have seen men in business so distressed and bedeviled by competition and hard times that they would thank God for an autocrat to take control over their business, prevent unfair competition, stabilize price, stabilize service, stabilize quality, and all those things. I have heard expressions of that nature many, many times on the part of businessmen. It would be ideal if we had someone possessing the vision and the wisdom and the power and the vigor and the judgment and the justice to do all that for business or for agriculture. But I do not think God ever made such a man. I do not think it is possible to find a Secretary of Agriculture or any group of men under him in a bureau that would have the wisdom to carry into effect the principles that lie in this bill for the control of agriculture. I believe it would be one of the most hazardous things we have yet tried, to go out from Washington and divide up all the acres of this broad land, and say, "Corn shall be raised here, cotton shall be raised here, rice shall be raised here, and wheat shall be raised there; and over here you shall not raise corn but you shall divert that area into grazing lands; and the payments you are now receiving under another law you can no longer have continued to you. The payments which you are getting by virtue of an entirely free and voluntary contract entered into by you with your Government, the Government is going to take away from you by this act, unless you not only comply with the diversion of your acres that we have laid down but also unless you produce all the food for man and beast that is required of your farm."

Mr. POPE. Mr. President, will the Senator yield to me?

Mr. AUSTIN. Yes, Mr. President; I am glad to yield to the Senator from Idaho. I wish to conclude before yielding, however, by saying that one might be willing to admit that centralization is the fastest, cleanest-cut, simplest method of government, of regulating the conduct of men; but I think

that no Anglo-Saxon, with his history, will ever admit that it ought to be brought in to take the place of a free government, a republic. In my opinion, the same principle applies to the government of men in respect to economics as to the government of men in their legal relation to each other.

I now yield to the Senator from Idaho.

Mr. POPE. In the discussion of the Senator with reference to the factors that enter into price, he mentioned, I think, two principal factors. One was supply, the other demand. Does the Senator recognize the danger of surpluses of agricultural commodities as they affect the price? In other words, are large surpluses which are unsalable, unmanageable, of serious detriment to price, and do they tend to cause a price decline?

Mr. AUSTIN. Mr. President, of course any practical person will recognize right away that the danger of surpluses in anything, whether it is in agriculture, or in manufacturing, or in commercial lines, is serious. It may affect price, to be sure, for one thing. Probably it has one of the most influential effects upon price.

Mr. POPE. That being true, when it appears as a matter of fact that large surpluses of farm commodities, wheat, corn, cotton, or any other commodities exist, and when they have that effect upon the price, does the Senator believe any action should be taken by the Government, either Federal or State, to relieve the sufferers from the result of those circumstances?

Mr. AUSTIN. Mr. President, starting where the Senator from Idaho starts with his question, one has to follow him in his logic. I would not start there. I would start back of that. If it becomes necessary for us to legislate on this subject of direct help to agriculture, I would prefer such a bill as that represented by the substitute to be proposed by the Senator from Oklahoma [Mr. LEE].

Mr. POPE. Mr. President, may I ask the Senator a question there?

Mr. AUSTIN. I yield.

Mr. POPE. The Senator realizes, of course, does he not, that in the substitute measure of the Senator from Oklahoma there is no control or regulation or even recognition of the existence of surpluses?

Mr. AUSTIN. I think there is; I think there is the finest type of control and recognition, if I understand the proposal. It is free, as I see it, from the attempt to freeze prices. There is no attempt in it to coerce; there are no teeth in it.

Mr. POPE. All it proposes to do is to pay to the farmer a dole or make to him a gift so as to increase the price of the domestic portion of his crop. It has nothing to do with control of surpluses. It cannot possibly remove the danger which the Senator has now admitted exists with reference to surpluses. Is not that true?

Mr. AUSTIN. Yes, it could, Mr. President.

Mr. POPE. In what way?

Mr. AUSTIN. Of course it could not do it alone, but it would leave the farmer free to cultivate his farm as he has done heretofore; it would leave him free to take the teaching and leadership that is given him by the Federal Government so nobly and so ably under the Soil Conservation Act and the domestic allotment law. The farmer can continue to enjoy the benefits of those laws. He is not going to be cut off from them as he is under this proposed law if he does not do certain things. His surpluses would rapidly be taken up if we should restore business to its rights, if we should so conduct ourselves here in Washington that we would not be damning business all the time; that we would not make attacks on business all the time; that we would not get in the way of business all the time; that we would not load it down all the time with taxes and burdens; that we would not threaten it because profit is its motive, and we would not try completely to upset the capitalistic system and supplant it by an entirely sovietized system.

When these things are done, when we work this problem out on the basis of a free government, to be sure with regulation, to be sure with socialization, so far as is necessary,

there will be ample market for agricultural surpluses. That is where those surpluses should go. They should go into the mouths spoken of by the senior Senator from Idaho [Mr. BORAH], the mouths of millions of people who do not have a sufficient ration but who would have if business were allowed to spring up, and they were allowed to earn wages and salaries and not be obliged to remain on relief rolls. The consumers would take care of the surpluses. We do not raise too much of anything.

Mr. LEE. Mr. President—

Mr. POPE. Mr. President, will the Senator yield to me in order that I may ask a final question?

Mr. AUSTIN. I yield to the Senator from Idaho, and then I will yield to the Senator from Oklahoma.

Mr. POPE. I was interested in the statement my colleague the senior Senator from Idaho made. As I understood him, he said he recognized, as the Senator from Vermont recognizes, the danger of surpluses; and he further said that he recognized the existence of surpluses and that something must be done with them, and then he made the suggestion that he would have the Government purchase such surpluses and distribute them, and, I presume, give them to the people who, he thought, could consume them. That, at least, is a suggestion. It is interesting to look into the matter as to how much that would cost. I have had some calculations made as to the normal surplus over a period of years. It runs something like a billion dollars a year for two commodities involved; namely, cotton and wheat.

Now let me ask the Senator would he do anything with the situation which will exist, say, in 1938, when we are faced with a surplus of wheat amounting to 400,000,000 bushels, which is the same amount approximately that existed in 1932? Would the Senator do anything in this good year of our Lord, 1937, such as was suggested, at least, by the senior Senator from Idaho? Would he do anything other than attempt to bring about improved general conditions whereby the consuming public might consume more of the commodities? Would he do anything now about the 400,000,000-bushel surplus that is facing the wheat farmer?

Mr. AUSTIN. How could I answer such a question other than to say that we have to take the bills that are brought to us. Our judgment and powers are taxed when we first see them here on our desks, as I saw this one about 10 days ago, to study the legislation that lies before us. I do not care, standing on my feet, to answer the Senator from Idaho as to what I would do. I would not be so intemperate as to undertake to answer on my feet such a question. I will tell him, though, that I can agree with him on certain principles as I have observed his views. I would agree with him on the assistance of agriculture in this emergency so far as the Federal Government is authorized to do it, and so far as it may be done without a complete dislocation of our economy in this country.

Mr. POPE. How would the Senator do it?

Mr. AUSTIN. The Senator has asked a question that I cannot answer offhand, and one that I do not profess to be able to answer.

Mr. HATCH. Mr. President, will the Senator yield to me for a moment?

Mr. AUSTIN. I yield.

Mr. HATCH. I wish to ask the Senator a question in absolute good faith. It is evoked by the statement of the Senator to the effect that if we had not placed so many restrictions and handicaps and laws and regulations on business, if we had not hampered business so greatly, such a bill as this would not now need to be considered, and that if we would remove those restrictions the public would consume these excess supplies. I infer that from the Senator's remarks; and I want to know—and, I repeat, I ask him in good faith—what were the restrictions and what were the limitations on business and the handicaps that caused the lack of consumption in 1931 and 1932? Why were great reserves and stores piled up at that time? Who was handicapping business then?

Mr. AUSTIN. The Senator assumes something, namely, that there were surpluses and reserves in 1931 or 1932.

Mr. HATCH. The Senator admits that condition, does he not?

Mr. AUSTIN. Mr. President, we had taken the toboggan in 1929; we had an entire collapse of business as the result of the world-wide depression, and it is not at all strange that the money could not be found with which to buy things in 1931 and 1932, although, as I recall, conditions began to look better in the summer of 1932. I cannot identify the years exactly, but, if I remember correctly, we had a little upturn as the result of the impression that we were going to have inflation in this country. Afterward there was a tumble. However, the condition which brought about surpluses cannot be attributed to the normal flow of economic forces, and free economic forces at that, which were greatly interfered with by the collapse of currency in foreign countries and by the breaking down of huge banks, the Austrian Bank, for example.

Mr. LEE. Mr. President, will the Senator yield there?

Mr. HATCH. I understand the Senator from Vermont promised to yield to the Senator from Oklahoma.

Mr. AUSTIN. I promised to yield to the Senator from Oklahoma.

Mr. HATCH. So I will defer other questions along that line which I should like to ask.

Mr. AUSTIN. I am always charmed by the kindness of the Senator from New Mexico and attracted by his very intelligent questions. I should be delighted to talk the matter over with him at any time. I thank him for what he has said here.

Mr. LEE. Mr. President, will the Senator yield now?

Mr. AUSTIN. I yield now to the Senator from Oklahoma.

Mr. LEE. It seems to me the Senators just questioning the Senator from Vermont are basing their arguments on two assumptions, neither one of which I consider entirely correct. One assumption is that a surplus is entirely due to overproduction, which is not true. I gave figures for a number of years indicating that our greatest years of production were accompanied by some of the best prices we had ever received. In 1919 or 1920 we harvested the greatest wheat crop in the history of the country and received the highest price.

Mr. MINTON. Was not that a controlled price?

Mr. LEE. No.

Mr. MINTON. It was a war price.

Mr. LEE. Two dollars a bushel for wheat.

Mr. MINTON. Was not that a controlled price? It was a fixed price.

Mr. LEE. If it had not been fixed it would have gone to \$5 at that time. We exported less that year than we had exported theretofore. That was one of the times in the country when the people could buy all they wanted.

I admit price is affected by production, and yet I do not admit that it is the sole factor determining price. The statement of the Senators is based on the assumption that overproduction is responsible, but I contend that underconsumption is at least partially responsible for surpluses, that is, the inability of the consumer to buy. The other false assumption is that overproduction is an evil in itself. That is not necessarily true. If that were true we should not have an ever-normal granary. We should not have a carry-over for the bad years. If surplus in itself were an evil we should not have a carry-over. The law of nature will work out the problem with the assistance of the law of self-preservation. Never before did the farmer have a choice of producing part of his commodity at a profit and part of it at a loss. That is what we have under the domestic-allotment plan. Previous to that act he had to increase his production to meet certain fixed charges and obligations, his taxes and interest; but under the Domestic Allotment Act he would have a surplus upon which he could depend. Any farmer raising cotton, if he could know in

advance that there was going to be a big cotton crop everywhere, is not going to plant more than enough to be sure of getting his allotment.

Mr. CONNALLY. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. Very well.

Mr. CONNALLY. Did I understand the Senator from Oklahoma to say that under the domestic-allotment plan a farmer could make a profit on part of his production and a loss on the other?

Mr. LEE. If he has a mind to do so.

Mr. CONNALLY. Would it not be better to make a profit on a part of it and not to take a loss on the other part? Would he not have more profit on his total crop? Why not just leave off the loss and keep the profit?

Mr. LEE. That would be good if it could be done that way, but it does not figure out that way.

Mr. CONNALLY. I am asking the Senator the question because of his own statement. The Senator said, under that plan, a farmer could sell a part of his crop at a profit and sell the rest of it at a loss. I imagine under that statement it would be better not to raise what he sells at a loss, but only what he sells at a profit.

Mr. LEE. That is exactly why the domestic-allotment plan will not result in great surpluses. The farmer will average his price, and, as he realizes that the more he produces the cheaper it is, he himself will cut down on his production; and therefore the domestic-allotment plan will not result in uncontrolled surpluses.

Mr. CONNALLY. Why average it if he is making a profit on part of it? Why average the profit part down by selling the other part of the crop at a loss?

Mr. LEE. He has to increase his gross income by the sale of the other part of his crop. He could not predict, before he planted, just exactly how much he would have to plant to make his allotted quota.

Mr. AUSTIN. Mr. President, the purpose of the bill to reduce acreage and to control production is outside the range of the Federal power. Of course I know that, so far as 1938 is concerned, no farmer probably would have sufficient time to get help from the judicial department of the United States against the confiscation of his acres, the confiscation of his cattle, the confiscation of his income from the sale of milk and eggs, which would be accomplished under the terms of the bill. Before he could get justice the injury would be fully completed. In certain cases I can think of all the efforts of a lifetime would practically be wasted. Perhaps he would escape going to jail for not obeying the command of Congress that he file cards and records and make reports. Perhaps he would not be penalized 50 percent of the parity price of any article that he should produce, as the bill provides he shall be if he fails to comply with its terms. Certain it is that he could not get any money by virtue of his voluntary contract made with his Government under the soil-conservation and domestic-allotment plan.

Of course, there is a moral point to that, as I see it. I used to think that a contract was really sacred and binding. I used to feel that the spoken word alone had an integrity that made it a disgrace for a man to violate. Until we came here and repudiated our gold contracts, I thought that a bond of the United States was the sign manual of responsibility and honesty. But I suppose we have to adjust ourselves to the changing scene and if the agricultural relief bill should become a law and should cancel all the contracts made by the Federal Government, regardless of the evil effects upon their vis-à-vis, those poor devils cannot do anything about it.

If they go to the Supreme Court, even with the complaint that they had a binding contract with their Government which meant the payment of certain sums of money for the diversion of certain acres of their farms for a certain number of years and for the practice of planting trees to prevent

soil erosion on certain other acres, and that they had launched upon the performance of their contracts and done everything according to it and had made faithful compliance with the terms of the contracts, yet they could not come forward in a court of justice and get any remedy whatever. Why? Because we have had an emotional wave in this country that seemed to uphold the arms of almighty power here in Washington that would do its will although there was a Constitution of the people which forbade it.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes.

Mr. MINTON. What happened to the contracts that were entered into under the A. A. A.? Did the Federal Government repudiate them and send out the farmer empty-handed? The Supreme Court set aside the A. A. A., and struck down all those contracts; yet the Federal Government stepped in and said:

The Supreme Court says there is no legal obligation to pay, but we recognize a moral obligation, and we will pay.

Mr. AUSTIN. Remarkable! This exception ought to illumine the violation of right by this administration when it canceled the obligations of its bonds, and canceled the air-mail contracts—nine of them—without cause, without hearing, without notice, without any of the processes of law which the Constitution is supposed to guarantee to the contractor with his Government.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes; I yield.

Mr. MINTON. When the Government changed its contracts—the gold contract, for instance—the Supreme Court said that the Constitution had written into every contract of the land the right of the Federal Government to change the value of the gold content of the dollar. Did it not say that?

Mr. AUSTIN. Mr. President, I think not.

Mr. MINTON. If that be so, how could it violate anybody's rights?

Mr. AUSTIN. On the contrary, that decision of the Supreme Court held that the repudiation was just as offensive morally as repudiation by one citizen in a contract with another citizen, but, notwithstanding the immorality and the disgrace of it, there was not any remedy. Absurd!

Mr. MINTON. Is that a new doctrine promulgated by this administration?

Mr. AUSTIN. What does the Senator from Indiana mean when he asks whether that is a new doctrine?

Mr. MINTON. Is it a new doctrine that the Government cannot be sued, for instance?

Mr. AUSTIN. Oh, no; that is an old doctrine. The Government cannot be sued without its consent; but a government that is moral, a government that is responsible, a government that stands upon a plane of equality with the morality of responsible citizens, will permit itself to be sued for a moral obligation, or even where there is a questionable one.

Mr. MINTON. Does the State of Vermont permit miscellaneous suits against it?

Mr. AUSTIN. We now get into the ad hominem diversion, which can be resorted to for an improper discussion of principle.

Mr. MINTON. I will say the State of Indiana, then, and get away from the ad hominem argument.

Mr. AUSTIN. I never knew anybody who desired to sue the State of Vermont who was denied that opportunity. There may have been such cases, there may have been many of them, but they have never come to my notice; that is all.

Mr. MINTON. The State of Indiana is different, then. The State of Indiana cannot be sued without its consent; and I did not know there was another State in the Union, nor the Federal Government, that would allow itself to be sued without its consent.

Mr. AUSTIN. I have not stated any such thing.

Mr. MINTON. And they never give consent.

Mr. AUSTIN. Oh, that is another thing.

Mr. MINTON. They rarely do.

Mr. AUSTIN. The question, as I understood it, was whether or not the State of Vermont has consented. I do not know whether it has or not; but that has absolutely nothing to do with the principle. Here is the point:

This bill undertakes to control acreage. This bill undertakes to control production. Therefore, with nothing more to be said about it, this bill will be void if passed, and the citizen probably will be without remedy, because of the lack of time and because of the lack of funds with which to prosecute his rights.

Let us hear this once more. Let us not forget this: This is from the decision of the Supreme Court on the Agricultural Adjustment Act in the case of the United States against Butler and others:

And contracts for the reduction of acreage and the control of production are outside the range of that power.

Let me go back and connect that with the context. I will begin a paragraph behind that sentence:

But if the plan were one for purely voluntary cooperation, it would stand no better so far as Federal power is concerned.

There the claim was made that it was a plan for voluntary cooperation.

At best it is a scheme for purchasing with Federal funds submission to Federal regulation of a subject reserved to the States.

It is said that Congress has the undoubted right to appropriate money to executive officers for expenditure under contracts between the Government and individuals; that much of the total expenditures is so made. But appropriations and expenditures under contracts for proper governmental purposes cannot justify contracts which are not within Federal power. And contracts for the reduction of acreage and the control of production are outside the range of that power.

Mr. President, someone has said here, I believe, that there is no coercion, that there is no compulsion in this bill, first because there is a referendum in it that refers to farmers of a certain description the question whether the marketing quota shall go into effect, and that if they vote for the quota it goes into effect, but if one-third of them vote against the quota it does not go into effect, and therefore it is a voluntary matter, and without coercion. Then, again, it is said that the bill is voluntary, without coercion, because it provides for making contracts, and, of course, there cannot be any legal contract unless the minds of the parties agree; and it is said that because they agree here that fact takes them out of the field of coercion and compulsion and brings them into the field of voluntary choice in the matter.

Mr. President, let us look at this claim just a little bit.

At the present time the farmers of this country are enjoying the benefits of a purely voluntary transaction with their Government. I have reiterated that statement so many times that I think the RECORD ought to show why I differentiate the soil-conservation law from this proposed law, why that is voluntary, and why this is not. There is all the difference in the world between the two acts with respect to the contract feature.

The Soil Conservation Act absolutely prohibited the Government from making any contract with the farmer that would be binding upon him as a producer. Let me read the sentence which does that. I am reading from subdivision (b) of section 8 of the act approved February 29, 1936:

To promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

I read:

In carrying out the provisions of this section the Secretary shall not have power to enter into any contract binding upon any producer or to acquire any land or any right or interest therein.

Let us see what he does have power to do. I read from section 7—not the whole section, but a part of it:

The powers conferred under sections 7 to 14, inclusive, of this act—

Which includes the section from which I have already read—

shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this section due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers.

(b) The Secretary of Agriculture shall cooperate with States in the execution of State plans to effectuate the purposes of this section by making grants under this section to enable them to carry out such plans.

Understand, I am demonstrating that this particular law is voluntary and not coercive. Now, I read subdivision (c):

Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

Now, I come to a very interesting feature of this law, which is still in effect, and under which the contracts to which I have referred exist. This relates to the granting of aid for a purpose relating directly to soil erosion. It is a grant of aid that is measured not by a promise, not by an obligation, but by the conduct of the citizen, the conduct of the farmer who engages in the act of preserving the soil. Let me read it:

Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), and (4) of section 7 (a) by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, in amounts, determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year, with respect to which such payments or grants are made, and measured by, (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion.

So it continues with the other purposes of the act. They do not walk up to the public and say, as they do in the pending bill: "You get no payments if you do not enter into a contract. You have your contract already made with us under the Soil Erosion Act cut off if you do not make a contract under this act." There is nothing of the kind. Under the Soil Erosion Act the citizen was a free agent. He could enter or not enter, and his payments were measured by his performance, and his payments were made conditional on his performance. It is perfectly lawful to make a contract with anybody conditioned upon performance, but there is no such principle as coercion in it, for a man may be entirely free of both the condition and the obligation. That Soil Erosion Act provided in subsection (c):

Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made, in conformity with farming practices which the Secretary finds tend to effectuate the purposes specified in clause (1), (2), (3), or (4) of section 7 (a).

Mr. President, that is something different from the provisions of the pending bill, which provides, as I now read:

No payment shall be made with respect to any farm pursuant to the provisions of this act and of sections 7 to 17 of the Soil Conservation and Domestic Allotment Act—

From which I have just read—

as amended, with respect to cotton, wheat, corn, tobacco, and rice, unless—

And so forth. Compulsion is written all over this bill. On page 19, in the contract provision, compulsion is provided for. A citizen is not permitted to determine what shall be in his contract. Under the bill, if it shall become a law, Congress tells him what shall be in his contract, because Congress

says these contracts shall require cooperators to do so and so, and among other things—

Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage diverted from the production of the commodity, as shall be provided in his adjustment contract.

Is there any coercion about that, or is that voluntary? Suppose there is a referendum, and that a farmer has not felt like attending a meeting of such farmers as will be there, in all likelihood, to pass on that question, and he has not voted. By voluntary act he has deprived himself of the right to vote. But suppose he has gone, has participated in the meeting, and objected to the imposition of marketing quotas, but is outvoted—and I may add that in all the country not one-third of all the farmers who have attended these meetings have voted “no”—then what happens? Is it voluntary with the farmer to enter into a contract? Oh, no. It makes no difference whether he enters into the contract or not, he is brought under the terms of regimentation provided in the bill, and if he was qualified to vote, his farm will be divided up and the acreage on it reduced if his quota is less than that which he has been in the habit of putting into the product in question.

Mr. President, I think enough has been said to show that this is not a conditional grant, such as has been held by our courts in many cases to be proper under the Constitution but that the grant is employed as the benefits under the A. A. A. were employed, as an economic coercion. In the first place, the farmer gets the money if he contracts. He does not get the money if he does not contract, and he does not get the money he is now getting under his former contract if he does not contract under the new provision. So we have economic coercion and we have punishment; and when we have those things it is perfectly futile to talk about the regimentation being voluntarily entered into by the farmer.

Of course, the debate thus far upon the part of the proponents of the bill on behalf of the theory that production is commerce had to be based on the reasoning that the rule of decision in this country had been entirely upset, and a new rule had been established with respect to what is interstate commerce. That is the only basis, the only theory on which one could avoid the condemnation of stepping inside a State and controlling acreages there. That is the only justification there could be for stepping inside a State and controlling the market there, and saying, “You may sell in your State only so much corn, only so much milk, and only so many eggs.” The proponents of the bill undertake to say that the rule had been changed, and that because in defining what is the direct effect upon interstate commerce somebody had used different words than somebody else had used in defining the same thing, the whole principle had gone by the board, and now it is perfectly all right to step inside the State. In spite of the fact that the several States have reserved unto themselves and to the people of the States entire and exclusive control over interstate commerce, it is now contended that that amounts to nothing. Now we may break down the State boundaries. Now we may set up regions in this country of ours. We may sovietize it if we want to, and ultimately we may make an empire of it.

We will start with the economic side, and we will make, first, a business empire of it, and then it will be seen that gradually, by means of little things slid into these acts from time to time, we have also at the same time made a political empire of it.

So the proponents of the bill say: “Agriculture of itself is commerce—interstate commerce. It is such a big thing; its products go from State to State and from country to country all over the world; and therefore the plowing of your acres is commerce; therefore the sowing of your corn is commerce; therefore the grazing of your lands is commerce; and, above everything else, therefore the sale of any product of your land, or all the products of any cow that eats your products,

whether made inside or outside the State or Territory of the United States, is interstate commerce.”

Mr. President, I submit that not a single authority cited by the proponents of the bill sustains any such theory whatever. The very case of National Labor Relations Board against Jones & Laughlin Steel Corporation, which was cited, holds directly to the contrary. I shall not read much of it, because the hour is getting late. However, I call attention to a part of the opinion that comes right close to the part read in the debate. It starts on page 12 of the pamphlet marked “No. 419. October term, 1936.” This is Mr. Chief Justice Hughes speaking:

Although activities may be intrastate in character when separately considered, if they have such a close and substantial relation to interstate commerce that their control is essential or appropriate to protect that commerce from burdens and obstructions, Congress cannot be denied the power to exercise that control.

That is what was read heretofore. The Court cites *Schechter Corporation against United States*, supra. I continue reading:

Undoubtedly the scope of this power must be considered in the light of our dual system of government and may not be extended so as to embrace effects upon interstate commerce so indirect and remote that to embrace them, in view of our complex society, would effectually obliterate the distinction between what is national and what is local and create a completely centralized government.

That is the part to which I call attention, and which I claim shows clearly that those words, “such a close and substantial relation to interstate commerce that their control is essential or appropriate” must be understood to be used in the same way that those very same words before this time have been used in deciding cases and upholding the rule; that in our dual system of government Congress cannot cross the boundary of the State and regulate intrastate affairs unless those intrastate affairs directly affect interstate commerce.

Mr. President, in order to save the time of the Senate, I ask unanimous consent to have printed in the RECORD at this point in my remarks certain extracts from other cases which I shall mark and hand to the Reporter.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

[From decision of Supreme Court of the United States in *Carter v. Carter Coal Co. et al.*]

What the cases really mean is that the causal relation in such circumstances is so close and intimate and obvious as to permit it to be called direct without subjecting the word to an unfair or excessive strain.

[From decision of the Supreme Court of the United States in *Schechter Poultry Corporation et al. v. United States*]

(2) Did the defendants' transactions directly “affect” interstate commerce so as to be subject to Federal regulation? The power of Congress extends not only to the regulation of transactions which are part of interstate commerce, but to the protection of that commerce from injury. It matters not that the injury may be due to the conduct of those engaged in interstate operations. Thus, Congress may protect the safety of those employed in interstate transportation “no matter what may be the source of the dangers which threaten it” (*Southern Railway Co. v. United States* 222 U. S. 20, 27). We said in *Second Employers' Liability Cases* (223 U. S. 51), that it is the “effect upon interstate commerce,” not “the source of the injury,” which is “the criterion of congressional power.” We have held that, in dealing with common carriers engaged in both interstate and intrastate commerce, the dominant authority of Congress necessarily embraces the right to control their intrastate operations in all matters having such a close and substantial relation to interstate traffic that the control is essential or appropriate to secure the freedom of that traffic from interference or unjust discrimination and to promote the efficiency of the interstate service (*The Shreveport Case*, 234 U. S. 342, 351, 352; *Wisconsin Railroad Commission v. Chicago, Burlington & Quincy R. R. Co.*, 257 U. S. 563, 588). And combinations and conspiracies to restrain interstate commerce, or to monopolize any part of it, are none the less within the reach of the Antitrust Act because the conspirators seek to attain their end by means of intrastate activities (*Coronado Coal Co. v. United Mine Workers*, 268 U. S. 295, 310; *Bedford Co. v. Stonecutters Association*, 274 U. S. 37, 46).

While these decisions related to the application of the Federal statute, and not to its constitutional validity, the distinction between direct and indirect effects of intrastate transactions upon interstate commerce must be recognized as a fundamental one, essential to the maintenance of our constitutional system. Otherwise, as we have said, there would be virtually no limit to the Federal power and for all practical purposes we should have a completely centralized government. We must consider the provisions here in question in the light of this distinction.

Mr. AUSTIN. I do not want to omit mentioning one other matter although I am now trying to close my remarks. I went into Vermont during the short vacation we had this year and examined some of the work being done by the Federal Government under the Soil Conservation Act on the hills of Vermont, and I am very glad indeed to give my endorsement to that work. I had never before realized the progress of erosion which is going on right before our eyes. Brought up in the country, a small-town boy, and having lived some of the time on the farm, I had nevertheless failed to perceive that the thin and rich top soil of the Green Mountains is moving toward the sea very rapidly, and that it is necessary that our people should learn practices in tillage, in plowing their lands, practices in grazing, such as covering certain parts of their pastures with fast-growing trees, and mowing pastures in order to keep the grasses sweet. They should also learn practices in diking and terracing. In the case of some of our finest meadowland the slope is so imperceptible that we have not realized that rain water, freshets, are carrying off quite rapidly the best and the richest part of the farmer's farm.

I am in favor of the work of preventing soil erosion. I should like to see that work continued. I feel persuaded that it is being done under a perfectly constitutional act. I see no reason in the world why Congress should violate the Constitution in doing the things now under consideration. Why continually write into the bills that are presented here—and I charge that practically every New Deal bill of magnitude has contained these elements—things which on their face offend the Constitution? Why write into these bills things that reorganize the Government?

Mr. President, can you think of anything more offensive to most of the people of the country than that part of a proposed plan for reorganization of the Government which does away with current control of the spending of the money of the people, abolishes the Comptroller General, provides for nothing but a post-audit? I cannot, and yet it is in the bill now before us. It is an astonishing thing, slipped into the bill, a reorganization so important that it should be considered alone and by itself and not be buried in the depths of an agricultural relief bill. Has anybody here mentioned it? Does anybody here know about it? Let me read paragraph (b) on page 79 of the bill. Just listen to this:

The Secretary shall determine the character and necessity for expenditures under this act; the Soil Conservation and Domestic Allotment Act, as amended; and the Sugar Act of 1937; the manner in which they shall be incurred and allowed, the persons to whom payments shall be made including the persons entitled to receive the payments in the event of the death, incompetency, or disappearance of the persons who otherwise would have been entitled to receive the payments, and shall also prescribe voucher forms and the forms in support thereof, without regard to the provisions of any other laws governing the expenditure of public funds, and such determinations and forms shall be final and conclusive upon all other officers of the Government.

That is not the only one. I invite attention to another one to be found in section 75 (a) on page 89, under the title "Expenditure of funds and exemption from taxation":

SEC. 75. (a) The board shall determine the character and necessity for its expenditures under this act, other than administrative expenditures, and the manner in which they shall be incurred, allowed, and paid without regard to the provisions of any other laws governing the expenditure of public funds, and such determination shall be final and conclusive upon all officers of the Government. The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary a complete report as to the business of the Corporation. The financial transactions of the Corporation shall be audited by the General Accounting Office at least once each year.

But what about reporting to Congress? I am not at the moment able to locate the other section I had in mind, but I do not believe I need it. There is another one along the same line providing that the Secretary of Agriculture shall exercise control over the report of that audit and, before it comes to Congress, correct any mistakes he thinks may have been made in that auditor's report.

Can the Senator from Idaho [Mr. POPE] tell me where that provision will be found?

Mr. POPE. I shall have to look for it, but the Senator did not state it quite correctly.

Mr. AUSTIN. I presume that is so, and I do not like to leave it that way. It is difficult to remember just where are to be found the various provisions of a large measure of this kind.

The thing against which I inveigh is using the agricultural relief bill as one of those units of revolution changing our entire structure and the entire framework of our Government.

The PRESIDING OFFICER. The Senator will probably find it on page 80, paragraph (e).

Mr. AUSTIN. I thank the Presiding Officer. May I read it and correct my statement according to the text of it? It reads:

(e) The Secretary shall at all times maintain complete and accurate books of account. The financial transactions pursuant to the provisions of this act shall be audited at least once each year by the General Accounting Office for the sole purpose—

Note that particularly—

for the sole purpose of making a report to Congress, together with such recommendations as the Comptroller General of the United States may deem advisable: *Provided*, That such reports shall not be made until the Secretary shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report.

I evidently remembered it quite accurately. That is substantially what I said.

Mr. President, if we must go along with that part of our population which seems determined to change our form of Government—and I confess I am pretty well persuaded that a considerable group of American citizens do not like our form of government and wish to change it materially—let us do it in a way that will be satisfactory, not merely because the people who created this Government of ours handed down to us and our posterity an obligation that we ought to honor, though that ought to be sufficient for us, being our moral responsibility, but also for that less important but more expedient cause that we will rue the day if we do not give the people an opportunity to say what changes are to be made in the fundamental law and if we do not submit the question of amendment of our Constitution to the people in the proper way.

For that reason I stand against what I think is an attempt here to amend the Constitution of the United States without submitting the question to the people, an attempt to increase and aggrandize the power of the Federal Government and to diminish and reduce the power of the several States. If that must be done let us do it in an orderly way, and a way which we believe represents the assent of the people, for, in spite of everything, our Government today depends upon the assent of the people.

The people do govern, as they showed during the consideration of the attempt to reorganize the judiciary. We know that the bill to reorganize the judiciary failed of passage because the people of the United States governed and because they made themselves heard before that bill could be passed by us. We have long debated this measure. If the people of this country realized what is in this bill, I think we should have heard from them with such an emphatic voice that there would not be any more chance of this bill passing Congress than of the bill for the reorganization of the judiciary passing Congress.

EXHIBIT A.—Cost of processing taxes to consumers and benefit payments to farmers, covering cotton, wheat, tobacco, corn, hogs, and sugar, fiscal year July 1, 1934, to June 30, 1935

[Compiled by Federal Mill, Inc., Lockport, N. Y., Sept. 20, 1935]

State	Total "benefits" per State	"Cotton benefits" received	Wheat "bene- fits" re- ceived	Tobacco "bene- fits" re- ceived	Corn and hog "benefits" received	Sugar "bene- fits" re- ceived	Cost pro- cessing taxes per State	Cost for each dollar re- ceived	Cost pro- cessing taxes to farmers	Benef- its re- ceived per capi- ta farm popula- tion	Benef- its re- ceived per farm	Cost process- ing tax per farm	State popula- tion	Farm popula- tion
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Maine.....	\$3,758	0	0	0	\$3,758	0	\$3,164,090	\$41.96	\$678,870	\$0.02	\$0.09	\$19.21	797,000	171,000
New Hampshire.....	50,367	0	0	\$7,628	42,739	0	1,846,050	36.65	250,110	.80	3.38	19.21	465,000	63,000
Vermont.....	76,736	0	0	8,380	68,356	0	1,429,200	18.62	448,610	.68	3.08	19.21	360,000	113,000
Massachusetts.....	894,575	0	0	453,085	441,490	0	16,872,500	18.86	492,280	7.21	34.94	19.21	4,250,000	124,000
Rhode Island.....	5,172	0	0	0	5,172	0	2,727,390	527.34	67,490	.30	1.56	19.21	687,000	17,000
Connecticut.....	1,217,392	0	0	1,166,238	51,154	0	6,379,790	5.24	345,390	13.99	70.80	19.21	1,607,000	87,000
Total, New Eng- land States.....	2,248,000	0	0	1,635,331	612,669	0	32,419,020	14.42	2,282,750	3.91	17.99	19.21	8,166,000	574,000
New York.....	389,135	0	\$39,936	47,918	301,281	0	49,974,360	128.42	2,862,370	.54	2.44	19.21	12,588,000	721,000
Pennsylvania.....	1,895,645	0	241,456	1,128,970	525,219	0	38,235,070	20.17	3,402,290	2.21	10.99	19.21	9,631,000	857,000
New Jersey.....	391,753	0	11,845	0	379,908	0	16,042,770	40.95	520,070	2.99	15.44	19.21	4,041,000	131,000
Total, 9 North- eastern States.....	4,924,533	0	293,237	2,812,219	1,819,077	0	136,671,220	27.75	9,067,480	2.16	10.21	19.21	34,427,000	2,282,000
Percent.....	0.88						28.1							
Alabama.....	9,780,926	\$9,322,776	0	3,929	454,221	0	10,504,620	1.07	5,319,800	7.30	38.00	19.21	2,646,000	1,340,000
Arizona.....	1,128,583	1,039,902	17,765	0	70,916	0	1,730,920	1.53	393,030	11.40	79.63	19.21	436,000	99,000
Arkansas.....	12,476,619	11,268,034	2,394	351	1,205,840	0	7,360,380	.59	4,442,430	11.15	55.66	19.21	1,854,000	1,119,000
California.....	5,622,366	1,028,134	1,168,509	0	2,064,000	\$1,361,723	22,537,690	4.01	2,465,370	9.05	41.44	19.21	5,677,000	621,000
Colorado.....	7,813,932	0	2,098,979	0	2,697,322	3,017,631	4,112,920	.53	1,119,540	27.71	130.32	19.21	1,036,000	282,000
Delaware.....	144,120	0	105,338	0	38,782	0	944,860	6.56	182,620	3.13	14.85	19.21	238,000	46,000
Florida.....	771,591	274,325	0	183,022	314,244	0	5,827,960	7.55	1,107,630	2.77	13.09	19.21	1,468,000	279,000
Georgia.....	10,513,584	9,341,585	6,382	987,271	178,346	0	11,548,730	1.10	5,633,430	7.41	41.13	19.21	2,909,000	1,419,000
Idaho.....	5,718,504	0	3,412,824	0	1,339,822	965,858	1,766,650	.31	746,360	30.41	137.22	19.21	445,000	188,000
Illinois.....	41,807,652	0	2,510,778	960	39,283,826	12,088	30,291,100	.72	3,970,000	41.81	194.91	19.21	7,630,000	1,000,000
Indiana.....	26,798,971	0	1,905,733	184,017	24,632,999	76,222	12,858,830	.48	3,227,610	32.96	147.59	19.21	3,239,000	813,000
Iowa.....	68,137,228	0	441,736	0	67,611,009	84,483	9,809,870	.14	3,882,660	69.67	317.02	19.21	2,471,000	978,000
Kansas.....	41,109,657	2,083	24,174,189	8,605	16,814,311	110,469	7,467,570	.18	2,806,790	58.15	247.59	19.21	1,881,000	707,000
Kentucky.....	12,935,825	61,699	230,553	8,327,504	4,316,069	0	10,381,550	.80	4,672,690	10.99	52.47	19.21	2,615,000	1,177,000
Louisiana.....	9,059,128	5,829,108	0	0	81,452	3,148,568	8,344,940	.92	3,295,100	10.91	56.11	19.21	2,102,000	830,000
Maryland.....	1,370,842	0	780,432	35,911	554,499	0	6,479,040	4.73	940,890	5.78	31.73	19.21	1,632,000	237,000
Michigan.....	5,339,549	0	817,160	0	3,408,531	1,113,858	19,222,740	3.60	3,104,540	6.83	31.53	19.21	4,842,000	782,000
Minnesota.....	22,180,970	0	1,875,861	53,237	19,867,667	384,205	10,179,080	.46	3,553,150	24.78	119.73	19.21	2,564,000	895,000
Mississippi.....	12,677,154	12,621,598	0	0	55,556	0	7,979,700	.63	5,411,110	9.30	40.55	19.21	2,010,000	1,363,000
Missouri.....	28,202,880	2,237,477	1,552,912	119,101	24,293,390	0	14,407,130	.51	4,422,580	25.32	110.19	19.21	3,629,000	1,114,000
Montana.....	7,914,334	0	6,351,568	0	621,259	941,507	2,135,860	.27	813,850	38.61	166.64	19.21	538,000	205,000
Nebraska.....	37,104,620	0	6,074,706	0	29,788,952	1,240,962	5,470,060	.15	2,326,420	63.32	286.61	19.21	1,378,000	586,000
Nevada.....	78,789	0	30,483	0	48,306	0	361,270	4.59	63,520	4.92	22.89	19.21	91,000	16,000
New Mexico.....	1,624,104	682,245	502,504	0	435,961	3,395	1,679,310	1.03	631,230	10.21	51.72	19.21	423,000	159,000
North Carolina.....	14,732,147	5,945,844	51,560	8,015,380	719,363	0	12,584,900	.85	6,352,000	9.21	52.67	19.21	3,170,000	1,600,000
North Dakota.....	18,038,318	0	14,737,799	0	3,176,023	124,496	2,703,570	.15	1,576,090	45.44	231.33	19.21	681,000	397,000
Ohio.....	20,238,285	0	1,089,696	1,103,815	16,955,368	489,406	26,388,590	1.30	4,025,580	19.96	92.29	19.21	6,647,000	1,014,000
Oklahoma.....	21,416,880	9,466,971	6,803,993	0	5,145,916	0	9,512,120	.44	4,065,280	20.91	105.05	19.21	2,396,000	1,024,000
Oregon.....	3,482,109	0	2,632,183	0	849,926	0	3,787,380	1.09	889,280	15.55	63.14	19.21	954,000	224,000
South Carolina.....	8,356,638	6,558,405	0	1,392,910	405,323	0	6,903,830	.83	3,636,520	9.12	52.91	19.21	1,739,000	916,000
South Dakota.....	19,140,063	0	5,004,828	0	13,978,971	156,264	2,751,210	.14	1,548,300	49.08	230.17	19.21	693,000	390,000
Tennessee.....	9,848,096	4,222,708	120,448	2,025,675	3,479,265	0	10,389,490	1.05	4,823,550	8.11	40.09	19.21	2,617,000	1,215,000
Texas.....	46,074,293	35,976,600	5,375,218	0	4,722,475	0	23,125,250	.50	9,337,440	19.59	92.99	19.21	5,825,000	2,352,000
Utah.....	1,905,697	0	627,608	0	228,801	1,049,288	2,016,760	1.06	460,520	16.43	70.17	19.21	508,000	116,000
Virginia.....	3,569,515	316,435	524,545	1,190,728	1,537,807	0	9,615,340	2.69	3,775,470	3.75	20.91	19.21	2,422,000	951,000
Washington.....	6,493,261	0	5,752,732	0	712,327	28,201	6,205,110	.96	1,210,850	21.29	91.57	19.21	1,563,000	305,000
West Virginia.....	462,799	0	79,203	63,733	319,863	0	6,864,130	14.83	1,782,530	1.03	5.60	19.21	1,729,000	449,000
Wisconsin.....	8,970,225	0	37,706	1,059,407	7,701,968	171,144	11,667,830	1.30	3,497,570	10.18	49.35	19.21	2,939,000	881,000
Wyoming.....	1,585,734	0	431,615	0	477,895	676,224	897,220	.57	289,810	21.72	99.04	19.21	226,000	73,000
Total South-west- ern and Western States.....	554,625,988	116,195,929	97,929,940	24,755,556	300,588,571	15,155,992	348,808,170	.63	111,803,140	19.69	95.52	19.21	87,861,000	28,165,000
Philippine Islands and Puerto Rico.....	3,888,292	0	0	1,200,139	0	2,688,153								
Grand total.....	563,438,813	116,195,929	98,223,177	28,767,914	302,407,658	17,844,146	485,487,330	.87	120,870,620	18.38	88.98	19.21	22,288,000	30,447,000

REFERENCES

Columns 1 to 6, inclusive, are from report of Comptroller, rental and benefit payments for fiscal period July 1, 1934, through June 30, 1935.
 Column 7. Report of Comptroller, Processing Tax Collections July 1, 1934, through June 30, 1935 (\$495,272,006.76), divided by population of continental United States, Alaska, Hawaii, Puerto Rico (124,746,573), making collections on total population \$3.97 per capita. With processing taxes held in escrow in courts, etc., the cost would show well over \$4 per capita.

Column 8. The amount paid by each State divided by the amount received.

Column 9. Cost to farm population of each State at \$3.97 per capita.

Column 10. Benefit payments received by each State divided by farm population.

Column 11. Benefit payments received by each State divided by number of farms in each State.

Column 12. Cost to average farm (4.84 population per farm) at \$3.97 per capita.

Columns 13 and 14. State and farm populations, 1930 census.

NOTE.—In addition to payments to farmers as above, cost of administration of A. A. A. for the fiscal year was \$38,583,642.13, also A. A. A. paid out for drought relief, food conservation, and disease-eradication operations \$148,520,819.96 and for removal and conservation of surplus \$12,591,001.49. Authorities for above A. A. A. press release Aug. 26, 1935, and statement Office of Comptroller A. A. A. Aug. 20, 1935. Total payments were considerably larger than actual receipts, through balances of funds carried over from previous period.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 1.

Mr. KING. Mr. President, I understood that the Senator from Kentucky [Mr. BARKLEY] desired to submit a motion to take a recess or to go into executive session.

Mr. BARKLEY. Mr. President, the Senator from Oklahoma [Mr. LEE] had expressed a desire to offer an amendment to the first committee amendment; but he has decided

not to do so. For that reason I see no reason why we should not vote on the amendment.

Mr. KING. We shall not vote on the amendment tonight.

Mr. LEE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Oklahoma?

Mr. KING. I yield.

Mr. LEE. I wish to submit two amendments to be printed and lie on the table. I also ask to have them printed in the RECORD. They will be formally offered later.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, they will also be printed in the RECORD.

The amendments intended to be proposed by Mr. LEE are as follows:

On page 63, between lines 2 and 3, insert the following new subsection:

"(g) Notwithstanding any other provisions of this act, the combined soil-depleting base acreage for cotton, wheat, and corn, and the combined marketing quotas for cotton, wheat, and corn, for any farm shall be so adjusted that neither the normal yield of such combined base acreage, nor the amount of such combined marketing quotas, will be less than an amount of such commodities equal to the smaller of the following: (1) The amount of the average production of such commodities on such farm during the preceding 10 years, or (2) an amount of such commodities, for each family engaged in the production of such commodities on such farm, having a combined value of \$300, computed at parity prices as of the end of the preceding marketing year."

On page 82, between lines 21 and 22, insert the following new subsection:

"(k) The payments paid by the Secretary to farmers under this act and the Soil Conservation and Domestic Allotment Act shall be divided among the landowners, tenants, and sharecroppers of any farm with respect to which such payments are paid in the same proportion that such landowners, tenants, and sharecroppers are entitled to share in the proceeds of the agricultural commodity with respect to which such payments are paid; and such payments shall be paid by the Secretary directly to the landowners, tenants, or sharecroppers entitled thereto: *Provided*, That notwithstanding the other provisions of this act and the provisions of the Soil Conservation and Domestic Allotment Act, if the total amount of such payments (except payments computed under section 6 (c) of this act) to any person with respect to any year would, except for the provisions of this proviso, exceed \$600, such amount shall be reduced by 25 percent of that part of the amount in excess of \$600 but not in excess of \$1,000; by 60 percent of that part of the amount in excess of \$1,000 but not in excess of \$1,500; by 90 percent of that part of the amount in excess of \$1,500 but not in excess of \$2,500; and by 95 percent of that part of the amount in excess of \$2,500."

Mr. KING. Mr. President, I submit an amendment and ask that it be read.

The PRESIDING OFFICER. Without objection, the amendment will be read.

The LEGISLATIVE CLERK. On page 78, line 16, after the word "necessary", it is proposed to insert a colon and the following:

Provided, That the total appropriations for expenditure in any one year to carry out the provisions of this act and the Soil Conservation and Domestic Allotment Act shall not be in excess of \$500,000,000.

The PRESIDING OFFICER. The amendment will lie on the table and be printed.

Mr. KING. Mr. President, I desire the floor in the morning, if it is agreeable to our leader.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. KING. I yield to the Senator from Kentucky.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEE ON POST OFFICES AND POST ROADS

The PRESIDING OFFICER (Mr. McKellar in the chair), as chairman of the Committee on Post Offices and Post Roads, reported favorably from that committee the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

THE CALENDAR

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

AGREEMENT FOR REGULATION OF PRODUCTION AND MARKETING OF SUGAR

Mr. THOMAS of Utah. Mr. President, on the Executive Calendar, under the item "Executive T," there is listed an

international agreement regarding the regulation of production and marketing of sugar. This agreement has been on the calendar since last summer. At that time it was pointed out that we should not press for the ratification of the agreement until after the sugar bill should become law. The sugar bill is now law; and I give notice that at the next executive session, probably tomorrow, I shall call up the agreement for consideration.

THE JUDICIARY

The legislative clerk read the nomination of Carl L. Sackett to be United States attorney for the district of Wyoming.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Hon. D. Lawrence Groner, of Virginia, to be chief justice of the United States Court of Appeals for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL HOME LOAN BANK BOARD

The legislative clerk read the nomination of William H. Husband, of Ohio, to be a member of the Federal Home Loan Bank Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUERTO RICO RECONSTRUCTION ADMINISTRATION

The legislative clerk read the nomination of Miles H. Fairbank, of Maryland, to be assistant administrator of the Puerto Rico Reconstruction Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters on the Executive Calendar will be confirmed en bloc, except the nominations of postmasters for West Virginia, found on page 1 of the Executive Calendar. They will be passed over.

That completes the Executive Calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 4 minutes p. m.) the Senate took a recess until tomorrow, Saturday, December 4, 1937, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 3 (legislative day of Nov. 16), 1937

UNITED STATES ATTORNEY

Carl L. Sackett to be United States attorney for the district of Wyoming.

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

Hon. D. Lawrence Groner to be chief justice of the United States Court of Appeals for the District of Columbia.

FEDERAL HOME LOAN BANK BOARD

William H. Husband to be a member of the Federal Home Loan Bank Board.

PUERTO RICO RECONSTRUCTION ADMINISTRATION

Miles H. Fairbank to be assistant administrator of the Puerto Rico Reconstruction Administration.

POSTMASTERS

IOWA

Helen B. Rutledge, Blairsburg.

Lewis M. Adams, Buffalo.

Achsa F. Lookabill, Hastings.

Ida D. McCauley, Lucas.

John F. Muhl, Miles.
 Vivian A. Meredith, Norway.
 Martin S. Copenhaver, Ralston.
 Viola L. Eaton, Woden.

KANSAS

Ivan R. Cordill, Bern.
 Orval B. Cantrill, Harveyville.
 Charles Dean Ross, Pawnee Rock.

LOUISIANA

Milton E. Kidd, Choudrant.
 John A. Moody, Cotton Valley.
 Lubin Mire, Cut Off.
 Thera N. Stovall, Dodson.
 Clifford O. Williams, Good Pine.
 Azalee W. Nelson, Haughton.
 Claud Jones, Longleaf.
 Alfred L. Dupont, Simmesport.
 Beckie D. Bradford, Tullos.

MASSACHUSETTS

Joseph P. Bartley, Barrowsville.
 Josephine M. Connell, Forge Village.
 Joseph E. Fietz, Islington.
 Agnes T. Doyle, Lynnfield.
 Joseph F. Totman, Norwell.
 Mary M. Hill, West Groton.

SOUTH CAROLINA

John E. Wigington, Anderson.
 Fred L. Armstrong, Bath.
 Edward M. Kennedy, Blackstock.
 Gordon S. Beard, Myrtle Beach.
 Gordon W. Morris, Society Hill.
 Mollie S. West, Tucapau.

UTAH

Reuben J. Peterson, Santaquin.

WYOMING

Eva I. Fleenor, Fort Laramie.
 Richard M. Turner, Frontier.
 Ina E. Gentry, Lance Creek.

HOUSE OF REPRESENTATIVES

FRIDAY, DECEMBER 3, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou blessed and Holy One, who dost turn Thy countenance upon the upturned faces of Thy children, we pray that we may find in another day Thy wondrous providence. Give us, our Father, the vision to see the way where duty lies and fortitude to walk in its path. All hail the new humanity which comes marching to the melody of our Savior's ever-growing kingdom; blessed day when the Golden Rule shall become universal. We praise Thee for the joy of living, for the day dawn and the evening hush, and for all the harmonies of Nature that surround our earthly life. May they speak to us in the witness of Thy Fatherhood. Keep our hearts in tune with the divine until we stand in the great forever of endless love and youth. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution which I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of reorganization of the Government departments.

The SPEAKER. Is there objection to the request of the gentleman from New York?
 There was no objection.

THE FARM BILL

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8505) to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8505, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday there was pending an amendment offered by the gentleman from Arizona [Mr. MURDOCK].

The Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK of Arizona: Page 8, line 13, after the word "the", strike out "ten" and insert "five."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona.

Mr. JONES and Mr. WHITTINGTON rose.

The CHAIRMAN. The Chair may state that debate has been limited on section 2 and all amendments thereto, but there remain 3½ minutes which have not been used.

Mr. JONES. Mr. Chairman, I desire recognition on this amendment, and I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. It strikes me that this amendment should be adopted, Mr. Chairman, because the period for cotton, rice, and tobacco is 5 years, but for wheat and corn it is 10 years.

Mr. JONES. No; as a matter of fact the cotton allotment provision in title III needs correction. The period ought to be 10 years there. I hope the committee will not agree to this amendment, because this is the basis of measuring payments related to yields. The 5 years is used as a basis for determining the tilled acres, but when you come to determining the amount of payments you need the 10-year basis. There is a special reason for this in the fact that a good many of these 5 years have been drought years in large sections of the country. When the drought years are eliminated, so small a number is left that you do not get an average. Therefore, in getting a production basis for the purpose of determining payments all of it ought to be on a 10-year basis. It was a drafting mistake in the cotton quota provision. When you come to get a production basis it ought to be 10 years.

Mr. WHITTINGTON. In other words, the language on page 58 in the definition of "normal yield" should be "10 years" instead of "5"?

Mr. JONES. It should be "10." We expect to make this correction when we reach that section. For this reason I hope the amendment will not be agreed to.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Does the gentleman mean to say you are going to extend this over a period of 10 years and eliminate States which have new land?

Mr. JONES. No, no; the allotment is on an acreage basis, and that is 5 years; but when you come to gaging the amount of production on the land—that is, to gage the productivity and the amount of payment based thereon—5 years is used. That has nothing to do with acreage allotments made, naturally.

Mr. ZIMMERMAN. I understand.

Mr. JONES. That is only for the purpose of conforming the productive value of the land and the amount of payments.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?